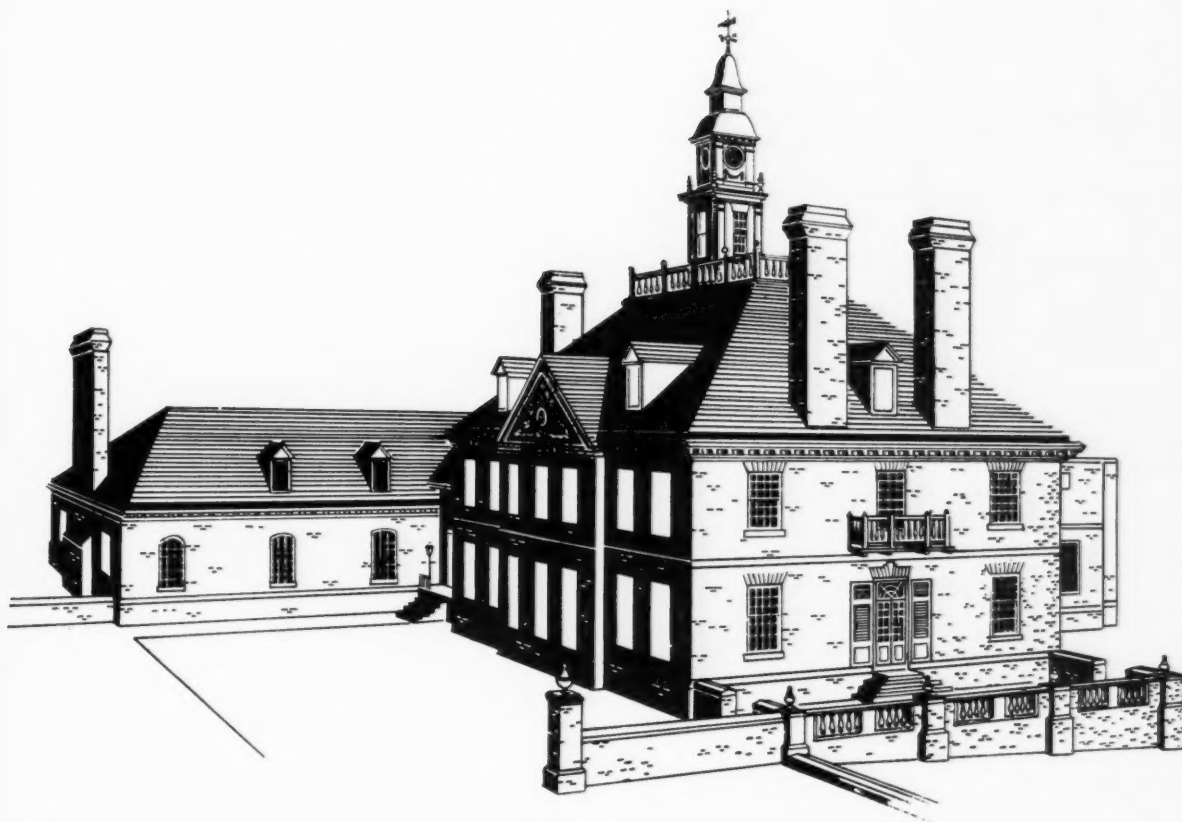


The NATIONAL UNDERWRITER



OHIO AGENTS CONVENTION



Ohio Farmers Companies

OHIO FARMERS INSURANCE COMPANY - *Chartered 1848*
OHIO FARMERS INDEMNITY COMPANY

Le Roy, Ohio

EASTERN DEPARTMENT, Philadelphia - - - PACIFIC COAST DEPARTMENT, Los Angeles

THURSDAY, SEPTEMBER 15, 1955

H PHARMACAL COMPANY
notations

The National Bank and Trust Co.
 MAIN OFFICE

**UNSOLICITED LETTERS!
 NEWSPAPER WRITE-UP!
 15 MINUTES FREE
 RADIO TIME!**

Agent Gets Big Results
when using our brochure...

**"YOUR INSURANCE PROGRAM
 IS AS GOOD AS YOUR AGENT"**

THE NORWICH SUN
 Thursday, July 14, 1955

The John C. Stott Agency Inc. is celebrating its 25th anniversary.

Today clients of the company received a brochure which is dedicated to them. This booklet states, "This brochure is dedicated to the thousands of clients who have permitted us to serve them. It was prepared so they may better know us and thereby we may better serve them."

"We are celebrating our 25th anniversary. Through the years, we have grown from a small one-man agency to become one of the largest insurance agencies in Central New York. This tremendous growth has been due to public acceptance of the service which we

have been able to offer to our clients during the past quarter of a century."

John C. Stott is nationally recognized. He is past president of the New York State Agents Association and the National Association of Insurance Agents. In 1949 he was named insurance man of the year, and received the general brokers gold medal award for most meritorious service to the insurance industry.

Mr. Stott is a member of the New York State Insurance Board, appointed by the governor. He is chairman of the Public Relations committee of the national association.

For more information contact the Production and Market Research Dept., Royal-Liverpool Insurance Group, 150 William St., New York 38, N. Y.

ROYAL • LIVERPOOL
Insurance Group

CASUALTY • FIRE • MARINE • SURETY
 150 WILLIAM ST., NEW YORK 38, N. Y.

ROYAL INSURANCE COMPANY, LTD. • THE LIVERPOOL & LONDON & GLOBE INSURANCE COMPANY, LTD. • ROYAL INDEMNITY COMPANY
 GLOBE INDEMNITY COMPANY • QUEEN INSURANCE COMPANY OF AMERICA • NEWARK INSURANCE COMPANY • STAR INSURANCE
 COMPANY OF AMERICA • AMERICAN AND FOREIGN INSURANCE COMPANY • THE BRITISH & FOREIGN MARINE INSURANCE
 COMPANY, LTD. • THAMES & MERSEY MARINE INSURANCE COMPANY, LTD. • VIRGINIA FIRE & MARINE INSURANCE COMPANY

Metropolitan Fire Assurance Company



**AUTOMATIC
 TREATY REINSURANCE**

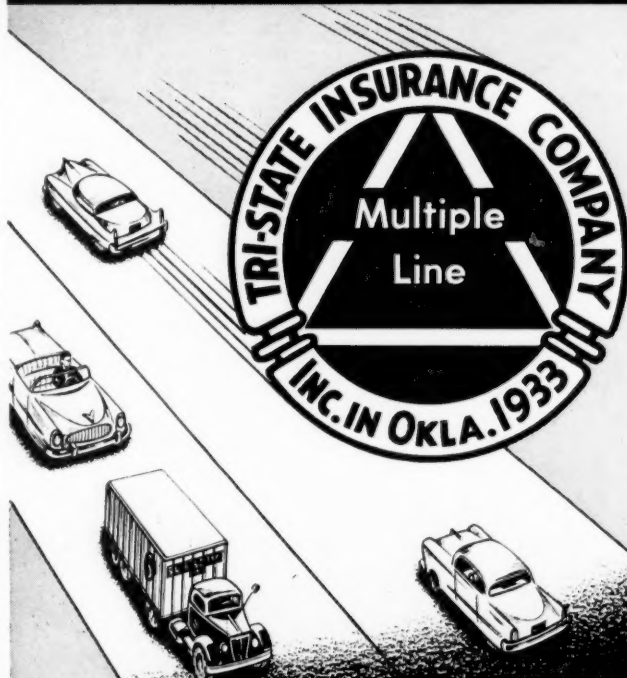
Contributes to
 Small Individual Losses
 as Well as the Large Ones
FIRE AND ALLIED CLASSES

33 Lewis St.

Hartford 3, Conn.

J. B. Carvalho, President

**For protection on the highway,
 at work and at home**



**Experienced Underwriting
 Prompt Claims Handling
 Special Engineering Service**

Home Office: Tulsa, Oklahoma

The NATIONAL UNDERWRITER

59th Year, No. 37
September 15, 1955

The National Weekly Newspaper of Fire and Casualty Insurance

Pa. Agents Want More Uniformity in Dwelling Forms

**Margraff Elected; Group
Still Wants Optional
EC Deductible**

By KENNETH O. FORCE

PITTSBURGH—George J. Margraff of the Philadelphia local agency of Eliel & Loeb & Margraff and long active in the group's affairs was elected president of Pennsylvania Assn. of Insurance Agents at the annual convention here. The association adopted resolutions asking for optional extended coverage deductible and for greater standardization of forms in the dwelling field. Attendance was almost 500, not a record but quite respectable. Hotel accommodations were a little hard to get because of a simultaneous influx of Slovakian women attending a convention.

The agents of the state still don't like mandatory EC deductible and expressed strenuous objection to it. The resolution urged that every effort be exerted toward reinstating the optional principle with a differential in rate. It was brought out that American Casualty group and Excelsior have gone on record as opposed to mandatory deductible.

In the discussion of confusion in dwelling forms, J. J. Maguire of Philadelphia said that figures show 40% of dwelling business is going to non-conference companies. He said executives of some conference insurers have indicated they are tired of losing dwelling business and will file independently unless something is done. The resolution developing out of the discussion will be addressed to Inter-bureau Insurance Advisory Group, Multiple Peril Insurance Rating Organization, etc. It urges the bureaus to recognize the present situation in which practically all agents are placed by the multitude of dwelling coverages now on the market, none of them comparable in cover or cost to those of independents, with which the rating bureaus are forcing agents to place dwelling business or lose it to competitors.

Mr. Margraff was vice-president and chairman of the finance committee this year. He served several terms as convention chairman and has held other posts in the organization. He succeeds Lawrence D. Willison Jr. of Williamsport.

William J. Gaul of Allentown and Paul J. Trimbauer of Pittsburgh were elected vice-presidents, and C. M. Thumma of Harrisburg, treasurer, and Morton V. V. White of Allentown, state national director, were re-elected. New directors are Joseph W. Barr Jr. of Oil City, R. C. Blomstein of Erie, C. G. Griffith 2nd of Altoona, Wilfred E. Helwig of Indiana, Earl P. Koch of Milton, William D. Miers of Allen-

(CONTINUED ON PAGE 10)

MAY BE READY OCT. 3

NAIC Group Names Committee to Draft A&H Advertising Code

The first steps toward setting up an advertising code for the entire A&H industry were taken at a meeting at Chicago of the National Assn. of Insurance Commissioners subcommittee considering that subject.

Director Pansing of Nebraska, advocate of a meeting of commissioners, representatives of the insurance business and of federal trade commission to work out a satisfactory solution to the A&H advertising problem, presided as subcommittee chairman. Two committees were appointed, one to draft an advertising code and the other to develop administrative procedures.

There were no dissenters to the approach suggested by the NAIC group, and many of those at the meeting expressed optimism over the plan.

Previous proposals for a trade practices conference with FTC resulted in differing opinions in industry quarters, some contending such a conference might be considered a submission by the insurance business to the jurisdiction of FTC. The plan advanced by Mr. Pansing, however, has been described as avoiding this problem.

Besides Mr. Pansing, the NAIC subcommittee members present were Commissioner Gillooly of West Virginia, Julius S. Wickler, representing Superintendent Holz of New York. Commissioners Martin of Louisiana and Sheehan of Minnesota were unable to attend.

Insurance organizations represented included Life Insurance Assn., American Life Convention, Assn. of Casualty & Surety Companies, Assn. of Insurance Advertisers, H&A Underwriters Conference, Bureau of A&H Underwriters, American Mutual Alliance, Life Insurers Conference and Blue Cross-Blue Shield.

It is hoped the advertising code will be drafted and in the mails by Oct. 3. Another meeting of the group is scheduled for Oct. 11.

Mr. Pansing reviewed the history of the problem and the results of his

(CONTINUED ON PAGE 25)

Home Companies Had Six Month Gain

Combined assets of Home and Home Indemnity totaled \$514,365,502 on June 30, the first time they have passed the half billion mark, President Kenneth E. Black has reported. This represents a gain of \$21,375,373 for the six months from Dec. 31.

Combined policyholders surplus totaled \$242,709,653 June 30, against \$219,512,218 Dec. 31. Consolidated net premium income for the six month period was \$117,497,309, against \$116,676 for the comparable period in 1954.

The combined underwriting results for the first six months showed a profit of \$156,417, compared with \$2,392,936 underwriting profit for the same period last year.

Mr. Black pointed out that operations of Home for the first six months reflected the large number of windstorms and tornadoes which hit several midwest and southeastern states. Claims paid to policyholders as a result resulted in an underwriting loss of \$654,469 for the first half of the year, compared with an underwriting profit of \$2,291,138 at the end of the same period in 1954.

Home Indemnity had an underwriting profit of \$810,886 for the six months ending June 30, against \$101,798 in 1954.

Line Up Card for Wis. Agents' Parley

MILWAUKEE—Wisconsin Assn. of Insurance Agents will hold its annual convention at the Hotel Schroeder, Milwaukee, Oct. 17-19, with the theme "Sales and Service."

A local board dinner Monday night will precede a "Gemuetlichkeit" party for all members. A workshop Tuesday will include talks on business interruption, automobile, garage liability, direct mail advertising, boiler UO, and A&H, and a special presentation of claims handling. That night the association will hold its banquet.

Wednesday morning there will be special breakfast sessions, one on metropolitan and large lines, and the other on farm. Retrospective rating and multiple location changes will feature the metropolitan panel discussion.

Rehabilitation Order Issued for Inland Empire of Idaho

**Three Officers Move
Records from Phoenix
to Salt Lake City**

Third district court of Idaho has issued a rehabilitation order for Inland Empire, subject to a hearing Sept. 30 at Boise. The company has been in the news ever since it took over the defunct Louisville F. & M. at the end of 1954. It is now short of ready cash with which to pay claims. It is estimated there is \$800,000 of overdue agent balances and another \$800,000 is tied up in deposits with the states in which Inland is entered.

Commissioner O'Connell of Idaho has obtained a temporary injunction restraining the officers of the company from transacting any business without his approval.

Last week THE NATIONAL UNDERWRITER published a letter purported to be from the directors of the company which was addressed to the commissioners of the 20 states in which Inland does business. This letter described the removal of the company records from the Phoenix home office. The records were taken, apparently under the direction of three officers of the company, O. B. Callaway, vice-president and secretary; F. E. Carroll, vice-president and treasurer, and T. C. Howay, vice-president. These three officers are now in charge of the company at the old Salt Lake City home office, where they have the records and other documents.

Inland Empire was purchased a short time ago by Trans-Pacific of Phoenix after Trans-Pacific had failed in its attempts to effect a merger of Inland Empire and Central Standard of Sioux Falls into Trans-Pacific.

Examiners had nearly completed an examination of Inland Empire at Phoenix when the records were taken. It is understood the examiners felt the company to be solvent at the time they were examining, but within the last 10 days or so there has been considerable management squabbling and the \$100,000 of overdue balances has shot up to \$800,000. Most of the states in which Inland is licensed have suspended the company, many of them for statutory reasons.

There has been considerable speculation as to who was responsible for sending out the letter last week which gave the description of the removal of Inland's records and allegedly described the reaction of the directors. It is reported there were not enough directors of Inland Empire in the vicinity of Phoenix at that time to have gotten together for the adoption of a resolution. The letter was unsigned and was mimeographed.

It is also reported that the taking over by Inland of Louisville F.&M.

(CONTINUED ON PAGE 25)

Late News Bulletins . . .

Gives Flood-Damaged Cars to Schools

Aetna Casualty has donated a fleet of late-model cars salvaged from the recent floods to 13 technical schools in Connecticut. The state board of education expressed its appreciation. The insurer acquired the cars in settling claims resulting from the floods. The company paid total losses on all cars submerged by the flood waters and normally would have sold them to salvage dealers. The cars will be used by the schools in giving practical training to students taking automobile mechanics courses.

Ooms Joins Western Actuarial Bureau

J. Wesley Ooms has joined the staff of Western Actuarial Bureau. He has been with Fire Underwriters Inspection Bureau as an inspector for two years. Mr. Ooms was a scholarship student in fire protection and safety engineering at Illinois Tech. Following graduation he entered the army and was assigned to fire protection work at Pine Bluff Arsenal, Ark.

Hour by Hour Program Given for NAIA Convention in Los Angeles Oct. 3-5

The hour-by-hour program for the annual convention of National Assn. of Insurance Agents at Los Angeles Oct. 3-5 has been completed. The executive committee will begin its deliberations Sept. 29. They will run through Oct. 2.

The program for Oct. 3 is as follows:
9 a.m.—Opening general in the Pacific ballroom of Hotel Statler with President Joseph A. Neumann presiding. Dr. Chilton McPheeters, pastor of Trinity Methodist Church, Los Angeles, will give the invocation and William H. Menn, Los Angeles, joint convention chairman, the welcome. Recognition of past presidents will be observed, fol-

lowed by the president's report and his citations for achievements.

11 a.m.—Lewis A. Vincent, general manager of National Board, will discuss benefits beyond the contract & Pacific ballroom

Noon—Blue Goose luncheon in the Biltmore Hotel's Biltmore Bowl.

2 p.m.—Work session in the Biltmore ballroom with Mr. Neumann presiding. The theme will be the role of insurance in the changing American market. A film, "The Changing American Market," will be shown by Warren A. King of Life magazine, after which A. N. Bushnell Jr. president of Insurance Assn. of Los Angeles, will speak

on opportunities unlimited, followed by a talk on future certainties by Ralph L. Inglis of Los Angeles, president of Founders.

4 p.m.—Territorial conferences: Eastern, Galeria room, Biltmore Hotel, Warren A. Bodwell, Manchester, N. H., chairman; Far West, Biltmore ballroom, Harry W. Poulson, Boise, Ida., chairman; Midwest, Renaissance room, Biltmore, Leroy D. Engberg, St. Paul, Minn., chairman; Rocky Mountain, conference room 8 Biltmore, Jerry Haggard, Albuquerque, chairman, and Southern Music room, Biltmore, Hayne P. Glover Jr., Greenville, S. C., chairman.

8 p.m.—National board of state directors meeting at Biltmore ballroom with Mr. Neumann presiding. All agents and guests are welcome.

The second day's program includes:
8 a.m.—Educational division breakfast for local and state association secretaries and managers in the Sierra room of the Hotel Statler. Ernest F. Young, Charlotte, N. C., is chairman.

9:30 a.m.—Work session, Pacific ballroom, Statler, with the theme competitively speaking. Mr. Neumann will preside and William E. Roskam Jr., Burbank, Cal., will be coordinator. Speakers and their topics will be Donald A. Bolton, Jacksonville, Fla., member of NAIA casualty insurance com-

(CONTINUED ON PAGE 28)

Mutual Benefit Raises Beal to Executive V-P

Milton Beal has been named administrative assistant to Executive Vice-president E. S. Adams and Vice-president Gale E. Davis of Mutual Benefit H.A.A.

Mr. Beal fills the position vacated by Hugh McKenna, who is on leave of absence since his election as national president of the U. S. Junior Chamber of commerce.

During his nine years with Mutual Benefit, Mr. Beal has had extensive experience in varied phases of home office operation. Prior to his present appointment, he was a member of the planning department.

Highlights of the Week's News

Agents give views on mandatory EC deductible at Pennsylvania meetingPage 19
Rhode Island Receiver's report reflects its fortunes as a reinsurer and reinsuredPage 3
U. S. companies to insure new Mackinac bridgePage 23
Recent inland marine trends and how they can earn business told by H. F. GibsonPage 15
Revised CDP has more flexibility, wider latitude of coverage and eligibilityPage 15
Says claim experts can build good will with private doctorsPage 27
North Carolina studies catastrophe cover problem, reports on beach EC cancellations probePage 31
Housing Commissioner Cole says private flood cover doubtfulPage 22
St. Paul Group lists promotionsPage 6
C. O. Pauley tells claims men the public relations are needed to ease A&H situationPage 8
Text of ruling making commissions on agents own insurance subject to taxPage 5
Pennsylvania agents want more uniformity in dwelling formsPage 1
NAIC group names committee to draft A&H advertising codePage 1
Home companies had six month gainPage 1
Rehabilitation order issued for Inland Empire of IdahoPage 1
Report of Ohio Agents meeting begins onPage 33
Even tendency to deceive is enough to bring FTC complaintPage 4
Utah agents elect Ray Carr presidentPage 12
NAIA program for Los Angeles conventionPage 2
Commissioner O'Connell charges agency advertising behind competitorsPage 2
Whiting, Ind., fire picturePage 36

O'Connell Charges Agency Advertising Behind Competitors

Asks Companies and Agents to Support Stott Committee Plan

CINCINNATI—In his talk at the annual meeting of Ohio Assn. of Insurance Agents here,



A. M. O'Connell

Arthur M. O'Connell, member of the executive committee of National Assn. of Insurance Agents and past president of the Ohio association, criticized the advertising and public relations activities of both agents and agency companies, comparing them, with figures based on actual expenditures, to the efforts of life insurance companies and of non-agency fire and casualty competitors. He praised the suggestions of John C. Stott, Norwich, N. Y., past NAIA president and now chairman of the public relations committee, of which Mr. O'Connell is a member, and urged agents and companies to support the program of the committee for coordinating efforts to sell the agency system to the public.

Using figures obtained from Publishers Information Bureau, Mr. O'Connell said that in 1954 the insurance business as a whole spent about \$24 million in advertising. Shockingly, Mr. O'Connell pointed out, including National Board of Fire Underwriters and Assn. of Casualty & Surety Companies, the expenditure of the segment of the business supporting the American Agency System came to only \$3.5 million of this total, 12 agency companies being involved. This he contrasted bitterly with 30 life insurance companies and Institute of Life Insurance spending \$16 million and 14 direct writing or captive agency carriers' spending \$4.5 million. He listed the expenditures of each of the 12 agency companies, which ranged from a high of \$582,000 to \$26,000.

Modest as this expenditure was in contrast to competition, Mr. O'Connell emphasized that the companies which have risen to public defense of the American agency system accounted for only about 25% of the total of \$6 billion in fire, casualty and surety premiums which the agents produce. Calling this "an unfair, deplorable situation," Mr. O'Connell said: "For every dollar produced by companies who tell the public about the advantage of the agency system, there are three dollars produced by agents for companies who spend little or nothing to tell the world that the entire agency system is good, reliable and dependable, and that their own agents are standouts in the profession."

On the other hand, Mr. O'Connell said, among the direct writing and captive agency competitors, State Farm of Illinois, which writes about \$200 million in premiums, spent over \$1 million in public advertising, including \$100,000 for a five page spread in

(CONTINUED ON PAGE 28)

Insurance and Reinsurance

for experienced attention

use a STEWART, SMITH office

NEW YORK

116 John Street, New York 38

CHICAGO

Board of Trade Bldg., Chicago 4

PHILADELPHIA

Public Ledger Bldg., Philadelphia 6

MONTREAL

Sun Life Bldg., Montreal 2

TORONTO

897 Bay Street, Toronto 5

BIRMINGHAM

Frank Nelson Bldg., Birmingham



always at your service Around the Clock

LONDON

15 Lime Street, London E.C. 3

For Brokers • Agents • Companies

EMC now writes
all 3

FIRE
CASUALTY
BONDS



Nationwide claim service to policyholders, by 16 branch offices and more than 4,000 agents. Strictly an agency company.

A NATIONAL INSTITUTION
Employers
MUTUAL CASUALTY COMPANY
DES MOINES, IOWA

Assets Over \$37 Million

R. I. Receiver's Report Reflects Its Fortunes as a Reinsurer and Reinsured

The financial statement of Thomas J. Meehan, receiver of the Rhode Island, on the status of the liquidation of that company as of June 30 reflects a task of considerable complication and difficulties.

The receiver reported assets of \$1,543,711 in the form of cash and investments, etc., but of this amount, \$920,244 was not in unrestricted possession of Mr. Meehan, the domiciliary receiver. Other assets consist of \$60,805 in balances receivable from agents and brokers; and \$769,626 was due from domestic and foreign insurers. The latter accounted for \$237,044.

Among the changes in the surplus deficiency of the Rhode Island is an \$812,710 loss (net of reinsurance) incurred in connection with the Texas City disaster. This is the Texas City Terminal Railway Co. case. The railway company was insured against explosion by American Equitable of Corroon & Reynolds group. American Equitable was reinsured to the extent of 41% of its liability on this risk by the Rhode Island. After the Texas City disaster, the Terminal Railway made claim, but American Equitable denied liability and so notified the Rhode Island as its reinsurer. Following the lead of American Equitable, the Rhode Island provided no reserve for this loss from 1947 through March, 1955.

The claim went to trial in March, 1955. Judgment was entered against the American Equitable for \$3,350,135, including interest. The Rhode Island's proportion of this award, after crediting payment made prior to the receivership by the Rhode Island, amounts to approximately \$1,313,000.

The receiver carries the item as a reserve for claims disallowed or suspended by the receiver and not as yet submitted to court for adjudication, pending determination of the outcome of the appeal of American Equitable.

The balance due the receiver from Louisville Fire & Marine is \$265,558. The current account balance of \$44,089 and \$2,635 of the outstanding losses have been the subject of legal controversy for some time, according to the report. The remaining \$218,834 of outstanding losses relates to the contingent claim arising out of the Texas City Terminal Railway case. Louisville has claimed from the receiver \$142,691 and asserts offsets and maintains a further claim which altogether exceeds the outstanding balance due from it. At the hearing on the claim before a special master, counsel of Louisville F&M. withdrew appearance and no evidence in support of the offsets was presented.

Mr. Meehan in his report states demand has been made of both Commissioner Goebel and Inland Empire, which took over Louisville F&M., for payment of the balance currently due. The receiver concludes that considerable difficulty and expense will be incurred in collection of the balance.

The Rhode Island receiver also has a claim for \$133,530 against Federal Title & Ins. Corp. of Miami Beach, which has been denied by Federal Title. Last May 6 the receiver filed suit for this money in the federal district court at Miami.

In connection with the settlement as of July 31, 1953, with the Millet group of reinsurers of Spain, the Millet group assigned to the receiver all claims against William Penn Fire, for

a total of \$24,000. William Penn Fire asserts offsets against this balance, which may therefore not be realized in its entirety without delay and expense.

The Millet group consists of Compania Hispano Americana de Seguros y Reaseguros, Compania Mediterranea de Reaseguros and Compania Europea de Seguros. The agreement of July 31, 1953, calls for these companies to pay

the receiver of the Rhode Island \$83,281, \$28,251 of it before Aug. 28, 1953 and \$55,000 on or before Dec. 31, 1953 with option to extend two months. The agreement also called for the Millet group to deposit with a representative of the receiver in Spain securities or other assets for \$55,000. This was accomplished.

To date the receiver has received \$42,950 of the Millet account and the receiver's counsel in Spain is endeavoring to collect the remainder.

There are charges against Utah Home, General Security, and Switzer-

land General, but these all relate to the Texas City railway claim. This is the case also with a claim for \$120,596 against C. E. Heath & Co., London Lloyds underwriters.

The receiver also has claims of \$28,244 against Stewart, Smith & Co., \$13,632 against Lambert Brothers Ltd., and \$1,115 against Hogg, Robinson Co. Ltd., London Lloyds underwriters.

Among contingent assets the receiver's report mentions the suit of the California commissioner against Stewart B. Hopps, former chairman of the

(CONTINUED ON PAGE 28)

Freedom of Choice!
This COMPREHENSIVE HOMEOWNER'S POLICY*
allows you to select the protection you want...



...for your home



its contents...



...your liability

This America Fore policy is a new package of protection, flexibly designed to cover your insurance needs according to your choice. It protects you from loss caused by fire, lightning, windstorm, explosion and many other specified perils to your home and its contents. It also provides protection against loss—

- from burglary, robbery or theft from your premises, and
- from claims resulting from accidents to the public on your premises—or from the personal activities of members of your household on or away from your premises.

If you select these three basic elements of protection you qualify for **PREMIUM SAVINGS OF TEN TO THIRTY PERCENT!**

You'll like the flexibility of this single, broad contract. You select the protection you want—add other coverages when you desire. You'll like its convenience, too. One starting and expiration date—one premium—one time to think about the vitally important protection of your home, its contents and your liability.

Your local America Fore agent will be happy to give you full information. He can arrange monthly or other convenient budget payments of your premium if you wish.

*approved in most states

- ★ The Continental Insurance Company
- ★ Niagara Fire Insurance Company
- ★ The Fidelity and Casualty Company of New York
- ★ Fidelity-Phenix Fire Insurance Company
- ★ American Eagle Fire Insurance Company



For the name of a nearby America Fore agent call Western Union by number, ask for Operator 23.

America Fore
INSURANCE GROUP

This America Fore National advertisement on the Comprehensive Homeowner's Policy will appear in Reader's Digest, The Saturday Evening Post, Life, Fortune, Time, Newsweek and National

Geographic during the month of September.

Sales Helps, Direct Mail, Posters and Newspaper Mats which tie in with this advertising are available to America Fore agents.

Insurance Agents and Brokers:

NO MATTER HOW YOU LOOK AT IT

A GOOD NAME TO REMEMBER

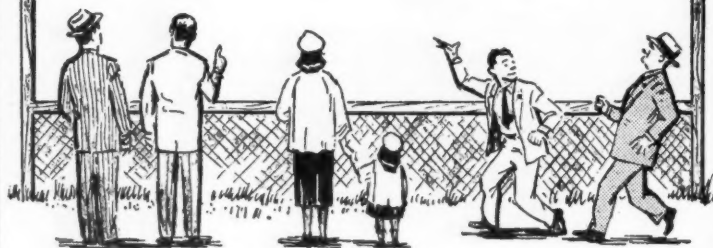
WHEN YOU HAVE A DIFFICULT OR UNUSUAL
RISK TO PLACE

MacGIBENY-GRUPE, Inc.

INSURANCE

175 West Jackson Boulevard, Chicago 4, Illinois
WA bash 2-9580 Teletype CG 2629

Correspondents of Underwriters at Lloyd's, London.



NEW HOMEOWNERS

—SALES KIT\$—

★The spelling is correct, as use of these
KIT\$ will result in additional \$ \$ \$ for you.

KIT\$ on request, of course.



SPRINGFIELD FIRE AND MARINE INSURANCE COMPANY • SPRINGFIELD, MASS.
NEW ENGLAND INSURANCE COMPANY • SPRINGFIELD, MASS.
MICHIGAN FIRE AND MARINE INSURANCE COMPANY • DETROIT, MICHIGAN

Even Tendency to Deceive Is Enough to Bring FTC Complaint

The federal trade commission does not have to show actual deception in advertising but only a tendency on the part of the insurers to deceive, FTC Examiner Hier said in the first ruling on the merits of complaints against insurers on charges of false and misleading advertising. The ruling came in Mr. Hier's denial of a motion to dismiss the complaint by National Casualty of Detroit.

"It is well settled that actual deception need not be shown in any case, that the federal trade commission act is prophylactic as well as remedial, that potentialities are as much, if not more, its concern than actualities," he said.

The ruling threw out the company's arguments that the record at this stage of the case fails to show any false, misleading or deceptive representations. The insurer showed that no complaints of deception had been received against it by any state insurance department and argued that FTC counsel had presented no evidence of deception.

Mr. Hier ruled that it made no difference whether the material under complaint had been sent to agents and distributed by them or had been sent directly to potential insured.

He said that misrepresentation to obtain leads for selling is as much within the FTC act as misrepresentation to sell, and the fact that specimen policies containing the exclusions, exemptions and conditions not mentioned in advertising were occasionally or even always subsequently shown the prospect is no defense.

Using a number of advertising claims complained against as examples, Mr. Hier said that many representations fall far short of the actual provisions of the policy when the exceptions, limitations and exclusions are considered. The law protects the whole public, not just experts, he said.

"Comparing respondent's (National Casualty's) representations with its policies to which they apply and considering the general level and psychological susceptibility of those who want security against illness, accident and loss therefrom, there is, in my opinion, a strong probability of a prospect being misled and deceived into buying not only a pig in a poke, but of finding that pig to be but an

anemic and undersized shoat. On this partial record, the alleged misrepresentation is not only possible but probable, not with all, but with a substantial number."

In the ruling, Mr. Hier also rejected the intermediate motion of National Casualty to dismiss because the FTC lacks jurisdiction and denied the argument that the unfair trade practices act of Michigan fully regulates the advertising practices of the company. That contention, he said, ignores the broad and sound distinction between charter and police power.

He also rejected the contention that FTC has no jurisdiction because the company's business in other states where it is licensed is fully regulated in states which have no anti-deception advertising law and in others where such laws apply only to life insurance.

Pacific Indemnity Opens Midwest Office; Helms Manager

Pacific Indemnity is opening a regional office at Kansas City to serve



James S. Helms

its present business and territories where its underwriting managers, Swett & Crawford, are not entered or actively operating.

Kansas City will become the midwestern department and James S. Helms is manager.

Mr. Helms started with New Amsterdam Casualty at Indianapolis as an adjuster in 1932, and five years later transferred to Chicago as assistant manager of the claims department. In 1939 he was appointed manager of the claims office of New Amsterdam at Fort Wayne.

In 1941, Mr. Helms joined Ohio Casualty at the head office, and later was put in charge at Topeka. In 1947 he transferred to Kansas city to manage the new office there, and in 1952 he joined Allied Mutual at Kansas City as vice-president, secretary and supervisor of agencies.

The Roscoe Lackey agency of Eugene, Ore., has been purchased by Lawrence L. Kihn and Robert M. Hodgins, who are operating as Hodgins & Kihn.

Insurance Women of Pittsburgh will hold a meeting Sept. 20. Mrs. G. W. Sheridan, president of the Florence Crittendon home, will address the group.

FOR MORE THAN A QUARTER CENTURY

REINSURANCE

★

FRANK BURNS

INC.

STUART BUILDING • SEATTLE, WASHINGTON

Here's Text of Ruling Making Commissions on Agent's Own Insurance Subject to Tax

Following is the text of the internal revenue service ruling holding the commission an agent receives on insurance placed on his own life or property is subject to income tax and subject to withholding by his employer. Suit by one agent to recover such tax is now pending in the federal court in Philadelphia.

Regulations 118 section 39.22(a)-2: Compensation for personal services. Rev. rul. 55-273 (IRB 1955-19 (16)).

The commissions retained by an insurance salesman in the form of reduced costs on an insurance policy on his life and property, which was purchased from an insurance agency or company, constitutes income to the salesman. The amount of such commission retained is subject to withholding of federal income taxes. GCB 10486, C. B. XI-1, 14 (1932), amplified.

Advice has been requested whether the commission retained by an insurance salesman on an insurance policy which he purchased on his life and property under the following circumstances constitutes income to him subject to withholding of federal income taxes.

In the instant case, an insurance salesman, as an employee of a general insurance agency who is entitled to commissions on policies which he sells, purchased policies for his own protection on his life and property through the agency for which he works at the price charged by the agency for such insurance, less the salesman's commission.

Section 22(A) of the internal revenue code of 1939, provides in part as follows:

"Gross income" includes gains, profits, and income derived from salaries, wages, or compensation for personal service...

G.C.M. 10486, C.B. XI-1, 14 (1932) holds that a commission retained by an agent on his own life insurance policy is income accruing to the agent due to the fact that an employer and employee relationship existed between the agent and the insurance company and the company was under contract to pay the agent commissions on all policies

secured by him.

The principles of G. C. M. 10486 supra, are equally applicable to the facts in the instant case. There is no real distinction merely by reason of the fact here the salesman was an employee of an insurance agency rather

than a direct employee of an insurance company.

The agency was authorized to issue insurance contracts for insurance companies, employed its own salesmen and paid them a commission on each policy they secured. An employer and employee relationship existed between the insurance agency and its salesmen and the salesmen were entitled to a commission as compensation for policies sold by them irrespective of whether such commission was received in cash or in the form of reduced costs on policies taken through the agency.

Also there may be insurance salesmen who might be considered inde-

pendent contractors. These salesmen like other insurance salesmen are also entitled to a commission on each policy secured by them as compensation for their services irrespective of the manner in which received.

Accordingly, it is held that the commission retained by an insurance salesman in the form of reduced costs on an insurance policy on his life and property, which he purchased from an insurance agency or company constitutes income to the salesman regardless of whether the salesman is an employee or independent contractor. The amount of such retained commission is subject to withholding of federal income tax.



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And that's true in the insurance business, too, as you find when dealing with Fire Association Fieldmen.

They provide sound, professional advice and help. They are able to make, and are authorized to make, on-the-spot decisions.

Join the growing army of agents who profit by Fire Association Fieldmen's performance.

*A service the opponent cannot even touch

FTC Changes Chairman. No Indication of Stand on A&H Complaints

Federal Trade Commissioner Gwynne was elevated to FTC chairman and Sigurd Anderson, former governor of South Dakota, was sworn in as a new member succeeding retiring Chairman Howrey in a ceremony in Washington, D. C. Mr. Anderson has not indicated how he stands on the subject of the A&H complaints and hearings, and, although Mr. Gwynne also has not indicated his stand, his voting record as a congressman would indicate that he is against over-centralization of government. Mr. Anderson's appointment is subject to Senate confirmation next year.

Commissioner James Mead is due to retire Sept. 27 and will be succeeded by William C. Kern of Virginia, a member of the FTC staff.

Wolverine Holds Sales Rally, 100 Attend

More than 100 Wolverine field men, claim men and home office personnel attended the annual educational business meeting at Christiana Lodge, Edwardsburch, Ind., on Sept. 8-11. President John Carton opened the conference with the announcement that Wolverine multiple line writing is being well received. The program for the meeting concentrated on fire and bonds. Robert Denton, claim vice-president, and Harold Moore, sales vice-president, directed the meeting. The annual Wolverine claim vs sales golf tournament was won by the sales contingent.

Fire Association Insurance Group



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St. Paul Companies List Promotions

James K. Brown has been named manager and secretary and Thomas E. McDonnell assistant manager and assistant secretary of the St. Paul companies automobile department.

J. B. Carter, former department manager, has been transferred to Atlanta where he will manage the service office and continue as secretary of the companies.

Mr. Brown has been assistant manager of the department and assistant secretary of the companies since 1950. Mr. McDonnell has been assistant executive secretary of the department since 1953.

Pacific Accountants to Hold One-Day Meet

Pacific Coast Insurance Accountants Conference will be held at the Sheraton-Palace Hotel, San Francisco, Oct. 18.

Speakers at the one-day session include Commissioner McConnell of California and J. W. Reynolds, chairman of United Pacific.

F. H. Merrill, vice-president of Fireman's Fund, will moderate a panel of company executives who will discuss "What other Department Heads Expect from Their Accounting Department."

There will be six other panel workshops and an exhibit of new business machines.

Liability Doubled on School Bus Drivers

Knox County (Tenn.) board of education has ordered all school bus drivers to increase their liability insurance from \$50,000 to \$100,000. The action, which effects 60 drivers who have their own buses and contract with the board for transporting school children, was taken after a school bus tragedy at Spring City in which 10 children were killed.

New Agent Aid in Texas

Texas Insurance Advisory Assn. and Texas Assn. of Insurance Agents have begun publication of a public relations news letter for agents, to be issued about four times a year. The news letter contains sales information designed to help agents increase sales.

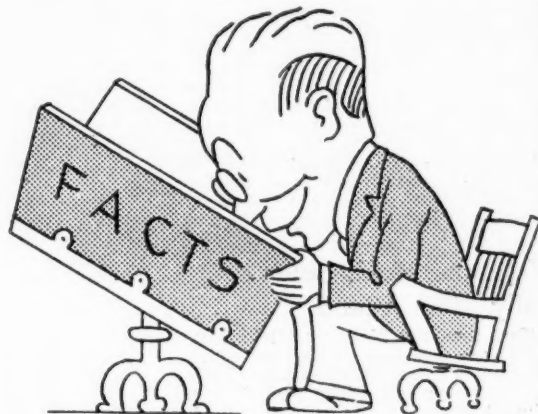
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Gold Considering Record PHD Cut; Some Opposition

Commissioner Gold of North Carolina has taken under consideration the filing of North Carolina Fire Insurance Rating Bureau which proposes decrease of 14.78% in auto physical damage rates, the largest such cut ever proposed in the state in one year. It would result in a more than \$5 million annual savings to policyholders.

At a hearing on the filing, Preferred of Grand Rapids spoke out against a reduction in the fire and theft rate on trailer homes and mutual agents objected to a change in the rating formula.

Preferred, which specializes in coverages on trailer homes, opposed a proposal to reduce the fire-theft rate from \$1.25 to 75 cents. R. W. Miles, vice-president of the insurer, conceded that the experience for fire alone indicates a much greater reduction than that proposed. He contended, however, that the experience on combined additional coverages would require a considerable increase in rates. He said experience has shown the coverages on auto trailer homes should be written in a package.

Commissioner Gold told Mr. Miles he would by no means consider holding up the filing because of a minor line on which the rating bureau proposed a reduction. He suggested that Mr. Miles take up the matter with the bureau, and the latter indicated he would. Mr. Gold said he could not segregate one rate from the filing without having to remand the whole proposal to the rating bureau for a redistribution.

Opposition to a change in the rating formula was voiced by William A. Stringfellow, executive secretary of North Carolina Assn. of Mutual Insurance Agents, who argued that the effect of the formula is to combine expenses and losses and thereby make difficult a clear picture of the loss and expense experience.

The new formula proposes the use of a cost-of-living factor. It would weight the experience for the three-year period covered in the rating base on a 10-20-70 ratio, with the most recent year having the greatest weight. Also, it would get away from the 50-50 loss ratio standard by combining losses and expenses and adding to that 25% for the agent's commission and 5% for profit and contingencies.

Mr. Stringfellow contended the changing symbols in the manual already are a trend factor and "this formula uses conversion factors for converting written premiums to earned premiums and paid losses to incurred losses derived from nationwide statistics whereas in filings for fire insurance rates the bureau computes these factors from its own statistics."

William D. Hall of New York, actuary of National Automobile Underwriters Assn., who appeared as principal witness for the rating bureau, said that the new formula resulted in a downward rate adjustment of 14.7%, whereas the old formula would have resulted in a decrease of only 6.8%. The filing, he stressed, was based on the premiums of all companies writing business in the state, including those which operate on deviation schedules. The cost-of-living factor was used, he said, even though this year it produced some reduction.

William T. Joyner of Raleigh, rating bureau counsel, stressed that "we are merely asking the state to approve a rate filing; we are not asking that a

formula be adopted or rejected; we are telling the commissioner as incident to the filing how we arrived at the rate reduction."

Mr. Stringfellow emphasized that this group favors the reductions and the manual forms and endorsements proposed by the bureau and opposed only the formula.

Fleet Coverage Awarded

Auto-Owners of Lansing has been approved to provide the fleet liability insurance for Plant City, Fla., for one year. The premium bid of G. W. Elston, local agent, totals \$1,289.

America Fore Cars Being Equipped with Safety Belts

America Fore group is to install safety seat belts in 1,350 company owned cars and 250 personally owned autos used by employees on company business.

Executive Vice-President J. Victor Herd said the group's management recognizes that the safety seat belt in automobiles is a potential saver of thousands of lives in traffic accidents.

Mr. Herd has been using seat belts in his own car for several years.

Tests have indicated that at least 50% of driver and passenger fatalities are preventable by use of a seat belt.

Interbureau's Revised CDP Rejected In R. I.

Rhode Island has rejected the revised comprehensive dwelling policy coverage as recommended by Interbureau Insurance Advisory Group. The revised policy coverage has been approved in 10 states and adopted for use in California.

This advertisement is part of Great American's current series featuring the local independent agent and broker. Look for it in The Saturday Evening POST of September 24

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your local independent insurance agent really proves his worth



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Need Public Relations to Ease A&H Situation, Pauley Tells Claims Men

A&H companies and those which sell A&H in addition to other coverages face a situation in which their relations with the public are of first importance, C. O. Pauley, consultant of the H&A Underwriters Conference, said at the International Claim Assn. annual meeting at the Lake Placid Club in the Adirondacks.



C. O. Pauley

A&H recently has been under unprecedented attack. "Much of the criticism, in an effort to be sensational, has been unfair and distorted, such as the articles appearing in the *Readers Digest* and the *Scripps-Howard papers*," he said.

The public takes these articles at full value, he warned.

The prosecution of several companies by the California insurance department and the citing of a large number by the federal trade commission was solely upon the charge of alleged false advertising of policies, and without any reference to the merits of the coverage provided in the policies advertised. Here again, the public does not discriminate and many people drew the inference that the A&H business was more or less of a racket. As a result, which not only has an unfavorable public opinion been created, but several legislatures have passed unwise laws, which not only will fail to give the intended protection to insured, but will work to his detriment because of the restrictions on freedom of action on the part of insurance companies.

It is often said that public relations consist of 90% performance and 10% of telling the public about it. This 90% performance is probably an exaggeration, particularly when an industry is under false and misleading attack,

Mr. Pauley said.

In any event, he said, the handling of A&H claims is a great factor in their performance so far as public relations are concerned. This is important to all kinds of insurance, and is doubly so to life insurance, since approximately 80% of A&H is written by those companies or companies having a life affiliate.

Most payments under A&H policies go to living policyholders. The contact with millions of living policyholders which the A&H claim men have every year gives a unique opportunity to create a favorable public opinion.

Mr. Pauley said he fears many companies have inadequate staffs in their A&H departments, that personnel is not sufficiently trained or not adequately compensated. In some companies, A&H is a new venture and in others the business has been growing so fast the claim organization has not kept pace with the growth. In other companies, other lines of insurance are the principal interest and management does not realize the importance of good claim performance. Too often management looks upon the claim de-

partment as only a necessary expense and does not realize that poor claim procedure can lose business faster than the producers can bring it in, he said.

Claim service in the group field does not present as many problems as does the individual policy. Group competition is so keen that a company which fails to give good claim service will soon lose the business to a competitor. Particularly close attention should be given claims in all cases where an employer a labor union, or any individual might profit directly or indirectly by a reduction in losses. In states having competitive state funds it is important that the company give as good or better service than the state. Group insurance has had favorable public acceptance and publicity except in a few cases where racketeers have invaded the field.

It is in individual A&H that the greatest amount of criticism has appeared, and the most complaints on claim settlements have been made.

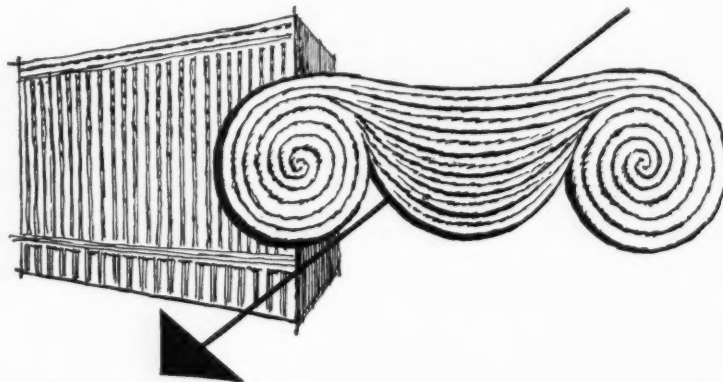
Every investigation of claim complaints made to state insurance departments has shown that the number has been greatly exaggerated. Still there are too many such complaints and, of course, not all dissatisfied claimants write the insurance department. A disgruntled claimant exerts an effect on public opinion which cannot be offset by many satisfied policyholders. He may start a chain of unfavorable publicity which reaches far beyond his own immediate circle of friends. Some three years ago, Mr. Pauley said, he received a copy of a well-written letter of complaint sent to an insurance commissioner, which showed that a copy had been sent to the governor of the state, the policyholder's U. S. Senator, the president of American Medical Assn., Walter Winchell, Walter Reuther and several other prominent citizens.

Looked at from the standpoint of public relations, even one complaint is too many, and it becomes the duty of the claim department to reduce complaints and dissatisfied claimants to the irreducible minimum.

National Assn. of Insurance Commissioners has been receiving a detailed report of complaints from a number of insurance departments. These show consistently that one of the largest categories of complaints is based upon mere delay. This is one area in which complaints can be almost entirely eliminated. The claimant sees no reason why he should not be paid immediately upon filing his proofs and the claim service should be so organized that claims are processed promptly and in cases where delay is necessary for investigation or other causes, the claimant should be so informed to avoid any anxiety on his part. If the delay is due to some failure on the part of the claimant, this should be carefully explained to remove any resentment he may have against the company. Prompt claim settlements are a great builder of public confidence.

Rejected claims are probably the greatest source of complaints. Every good claim man has a sort of sixth sense which tells him when a claim is questionable. This, Mr. Pauley said, is not enough on which to base a rejection. The claimant should be given the benefit of every reasonable doubt. A rejection should be based on facts which can be proved by available evidence. It is the duty of the claim department to get the facts, and the evidence to back them, before rejecting a claim. This should be especially true

(CONTINUED ON PAGE 11)



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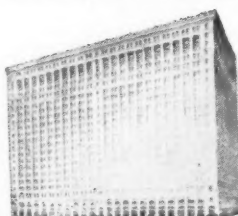
For example, consider elevators. Several banks of Electro-matic elevators of the latest design have just been installed in the Insurance Exchange. And in line with the trend toward air con-

ditioning, five floors of the Insurance Exchange South have been completely air conditioned.

These improvements are merely steps in a long range modernization program. Plans are being made that will still further enhance the prestige of the Insurance Exchange as one of the nation's finest office buildings.

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Indiana to Probe Auto Finance Cover Rebates

INDIANAPOLIS—Gov. Craig of Indiana has directed Commissioner Wells to investigate alleged rebating by finance-insurance firms to automobile dealers. The governor warned that firms engaged in this practice face possible loss of their insurance licenses.

Complaints have reached the governor that some auto dealers are receiving kickbacks as high as 20% from a few firms which handle both financing and insurance. Mr. Wells says that about six such firms appear to be involved.

Asks Deviation From Proposed Rate in N. C.

Preferred of Grand Rapids, which is opposed to a reduction from \$1.25 to 75 cents in the trailer home fire-theft rate as proposed in North Carolina Fire Insurance Rating Bureau's auto physical damage filing, now under consideration by Commissioner Gold, has filed what would be an upward deviation if the reduction is approved.

In a letter to Mr. Gold, Preferred Vice-president R. W. Miles stressed that he hoped the rate would be permitted to remain at \$1.25 for all companies. However, if the reduction is approved, he said his letter should be construed as a filing for a deviation that would permit Preferred to continue writing at the old rate.

Named Executive V-P of Presidential

Peter A. Laterza, who has been head of the burglary department of Springfield F.&M. in New York City, is the new executive vice-president of Presidential, the Florida insurer headed by C. E. Johns.

Mr. Laterza had been in insurance 25 years, with Standard group and National Surety, before joining Springfield. He taught general insurance at the insurance school of Insurance Society of New York.

New WC Benefits Not Retroactive in Mich.

LANSING—Broadened workmen's compensation benefits voted by the 1955 legislature may not be applied retroactively in behalf of persons with total, permanent disabilities, according to an opinion of the Michigan attorney general. The opinion stated that only beneficiaries of the new law would be those either still drawing benefits or those becoming eligible subsequent to effective date of the law.

Elmers General Manager of Michigan Mutual Liability

R. I. Elmers has been promoted to vice-president and general sales manager of Michigan Mutual Liability. He has been with the company since 1926, starting in the underwriting department. Subsequently, he was automobile manager, and in 1948 he was elected vice-president.

A&H Most Important Line, Vt. Agents Told

Agents have a responsibility to their clients to solicit them for A&H and make all their policyholders and prospects aware of the diverse coverages and benefits, Thomas M. Meredith, associate director of Hartford Accident's training center, told the annual meeting of Vermont Assn. of Insurance Agents at Fairlee.

But agents alone do not have the responsibility, their companies share it, he continued. They must supply agents with sales aids, good claim service, specialists to help them sell and service the business. Most important, he said, they must furnish up-to-date

policies at the lowest rates consistent with good business practice.

No one is better qualified to handle A&H, personal or group, than the local independent agent. No line of insurance is more important. There is a tremendous untapped market and the American people want the protection. Describing the coverages to be found in A&S and major medical, he said that 25% of all loans made by personal finance companies are to pay hospital and surgical expenses. Failure of private insurers to provide adequate A&H protection will create a public demand for others to do so and the government is responsive to public demand, he warned.

"Unforeseen events . . . need not change and shape the course of man's affairs"

Burbank Crash Loss Insured in London

A DC-3 of Curry Transport Service, owned by Great Lakes Air Transport, which crashed with 24 passengers and a two man crew at Burbank, Cal., caused a \$75,000 insurance loss, insured in the London market. The plane carried a considerable amount of BI and PDL as well as passenger liability. In the crash it struck an air force DC-4 parked on the field, causing a total loss estimated at \$½ million, damaged a second air force DC-4 on a wing and

did minor damage to the Lockheed hangar on the field. A mechanic on the field and the co-pilot were killed and some of the passengers were seriously injured.

Carrico Buys Louisville Agency

E. Ewing Carrico, for several years a partner in the Carpenter & Burba agency, Louisville, is now sole owner having purchased the interest of Mrs. Seeley Burba. The agency dates back to the 1890s when it was Carpenter & Dudley. Mr. Carrico is president of the Louisville Board of Insurance Agents.



He was born to be . . . fleeced

You weren't. But you *can* be fleeced . . . if an employee turns out to be a black sheep.

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Why not inquire about it today? Call your Maryland agent or broker.

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*From the diary
of an Agency Secretary*

Busy, busy, busy! That office! A girl hardly has time to powder her nose these days, and neither has Mr. L . . . Oh, I don't mean that, do I? . . . What I do mean is that that new PLM Homeowner's Policy has us both on the hop. Oh, that's a pun or something, isn't it . . . H O P . . . Homeowner's Policy. Well, whatever it is, we're doing business with that new Homeowner's Policy of PLM's, and I don't mean maybe. Considering all the hazards it covers, and the fact that a policyholder makes a double saving—20% lower initial cost and, on top of that, PLM's 15% dividend—well, no wonder it's so popular! The soundest dollar's worth of insurance protection you can buy. Who says only we gals know a bargain!

HOW ABOUT YOU, MR. LOCAL AGENT?

Why not get in touch with us for all the facts on the new PLM Homeowner's Policy? You'll find it unusually liberal in the coverages it includes—and the savings it offers—making it exceptionally attractive to prospects. PLM has much to offer your office. Write us about representation.

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Auto PHD Rates Are Revised in N. J., Ia.

New rates for automobile material damage coverage in Iowa and New Jersey, filed by National Automobile Underwriters Assn. and approved, effective Sept. 12, result in an estimated annual savings of \$737,000 in Iowa and \$2,603,000 in New Jersey.

Private passenger comprehensive rates in the Des Moines territory are reduced 9%. Comprehensive rates have been increased about 22% in Sioux City and Council Bluffs and about 11% in the remaining territories. In New Jersey private passenger comprehensive rates are reduced about 1½% for the entire state.

Rates for \$50 deductible private passenger collision are down 14% in Iowa, the decrease varying by individual rating territories from 5 to 22%, while in New Jersey the reduction for the entire state for this coverage is 4½%.

Private passenger collision \$100 deductible rates were reduced in all New Jersey territories with the average reduction for the state 18%. The over-all reduction for all forms of private passenger collision coverage in New Jersey is 5½%.

In both states the credits for young women operators and for driver education apply.

In Iowa commercial local hauling fire, theft and comprehensive rates are reduced 4%, commercial local hauling collision rates are down 13% and commercial intermediate and long distance hauling, fire, theft and comprehensive rates are reduced 15%. Collision premiums for these classes of commercial vehicles are down 9%.

In New Jersey the commercial local and intermediate fire rates are reduced 20%, the commercial long distance fire rates are down 10% and commercial local, intermediate and long distance collision rates are reduced 10%. In addition, a credit of 20% is approved for collision on commercial automobiles. A separate category is set up for farm tractors and farm tractor equipment with substantial reductions in rates.

Reductions are also made in New Jersey in collision premiums on private livery automobiles, in fire, theft and comprehensive on funeral directors' automobiles, in the fire and collision rates on all types of buses, in the fire rate on auto homes, mobile health units, etc., and fire and theft on scooters and similar motor vehicles.

Bennett & Edwards Has New Building

One of the largest local agency office buildings in the south has been completed in Kingsport, Tenn., and will be occupied Sept. 16 by Bennett & Edwards.

The two-story structure contains 18,000 square feet, 15,000 of which will be used by the 81 employees of the agency. Fifty feet of the 75-foot frontage will be occupied by the sales, accounting and policy writing departments and the remaining 25 feet will house the real estate and loan departments. The

life and A&H departments and the local claims and engineering offices of U.S.F.&G. will be located on the second floor. An unusual feature of the agency is the service provided by three registered nurses to A&H and workmen's compensation claimants. The nurses, employees lounge, stock room, etc., will also be quartered on the second floor.

The building will be opened in a ceremony in which Commissioner Northington of Tennessee will participate.

N. M. Agents to Meet at Santa Fe, Oct. 20-21

An afternoon of round table discussions will highlight the New Mexico Assn. of Insurance Agents convention at the LaFonda Hotel, Santa Fe, Oct. 20-21.

The convention will open Thursday with a board meeting and meeting of round table panelists.

A formal business meeting will open the Friday session followed by round table discussions on inland marine, home owners policies, comprehensive general, automobile policies and bonds.

Speakers at the general session on Saturday include Roy Davis, manager at Chicago for Assn. of Casualty & Surety Company's executive committee; C. C. Otto, president of Western Casualty & Surety; Robert Battles, executive committee member of NAIA; William Niedecker, vice-president of American International Underwriters, and Frank Fischer, superintendent of inland marine for New Hampshire Ins. Co.

The convention will close with a business meeting and banquet.

Atlantic Companies Name Claims Manager

Atlantic companies have named Richard H. Bootsma claims manager of the midwest division offices in Chicago to replace Roger E. Kellogg who has resigned to enter Princeton theological seminary.

Mr. Bootsma has been with the companies since 1954 as assistant to Mr. Kellogg. Previous to that he was in charge of the claims department of the Chicago office of McGee & Co. and was in the claims department of Fireman's Fund at Chicago.

Airline Liability May be Increased

International civil aviation organization, meeting at The Hague, The Netherlands, at the invitation of that government, was to consider a proposal that the liability of international airlines for injury and death to passengers and damage to baggage and cargo be increased. The proposal would raise the airlines' maximum liability for an individual from \$8,291 to \$13,267 in U. S. currency.

Harwood Named at Detroit

Arthur F. Harwood has been named manager at Detroit for Massachusetts Bonding to succeed John R. Hughes, who has resigned. Mr. Harwood has been in the Michigan territory for a number of years.

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REINSURANCE

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"We Are What We Do"

Atlanta Agents Are Sponsoring Safety Program in Schools

A coordinated safety program has been inaugurated in the public school system of Atlanta through the sponsorship of Atlanta Assn. of Insurance Agents.

J. Lewis Cook has been appointed a fulltime supervisor of school safety. His salary will be paid by the association through the board of education. He will direct fire safety activities, accident prevention, the high school driver training program and civil defense. The association has also presented the board of education a station wagon to be used by Mr. Cook in his work.

Mr. Cook's activities will be supplemented by agents and company fire company prevention and safety engineers in inspections and education of the students. Reports on the program will be given regularly at association meetings by Mr. Cook.

The association is financing the program through commissions received on public business including both the city and board of education fire schedules, in which the association participates.

Beery Has Top Score in Colo. Examination, Is Permanent Commissioner

Commissioner Sam N. Berry of Colorado received the top grade in the civil service examination for Colorado insurance commissioner, and now has won permanent appointment. His score was 93.43.

Mr. Beery was appointed to the \$6,648 a year job last October to replace Luke J. Kavanaugh who resigned. The salary increases to a maximum of \$8,496 after five years of service.

Six candidates took the examination for commissioner.

Minn. School Board to Continue Rate Study

Believing that certain school insurance rates are out of line with similar rates elsewhere, the Minnesota School Board Assn. has decided to continue a study of rates which has been in progress for five years. The association expressed concern at the results of the five-year study covering such lines as busses, boilers, general public liability and bonds of school treasurers and has found indications that rates on these lines may be too high compared to those of other states.

A representative of the insurance department will be asked to attend a meeting of the board Sept. 26 to discuss "the seemingly high rates."

The attorney general's office has ruled that school districts cannot use

public funds to provide liability insurance for teachers or school patrolmen. The question of using public funds to buy liability coverage for children while they are in school depends upon the type of contract, the attorney general said. Generally, he said, public funds cannot be used to buy such insurance.

N. E. Mutual Fire Assn. Names Claims Manager

W. G. Angell has been named claim manager of Mutual Fire Insurance Assn. of New England at Boston. He has been assistant manager of the Boston office of General Adjustment Bureau.

Two New Ill. Insurers

Illinois American Casualty and Illinois American Fire are being formed at Champaign and are advertising the offering of 100,000 shares in each company at a price of \$5 per share and a par of \$2. This would give each of the new companies \$500,000 in capital and surplus.

Home Gives Gifford, Litterer New Posts

Home has transferred Lester C. Gifford, secretary in charge of the agency department, to the central underwriting division where he assumes supervision of the habitation unit. Everett C. Litterer, who has been assistant manager of Home Indemnity's metropolitan automobile department, has been made manager of the agency record department succeeding Mr. Gifford.

Mr. Gifford, who will now work under Vice-president and Secretary David H. Moore, joined the company in 1917. He was made automobile department supervisor in 1935, assistant secretary in 1939 and secretary in 1952.

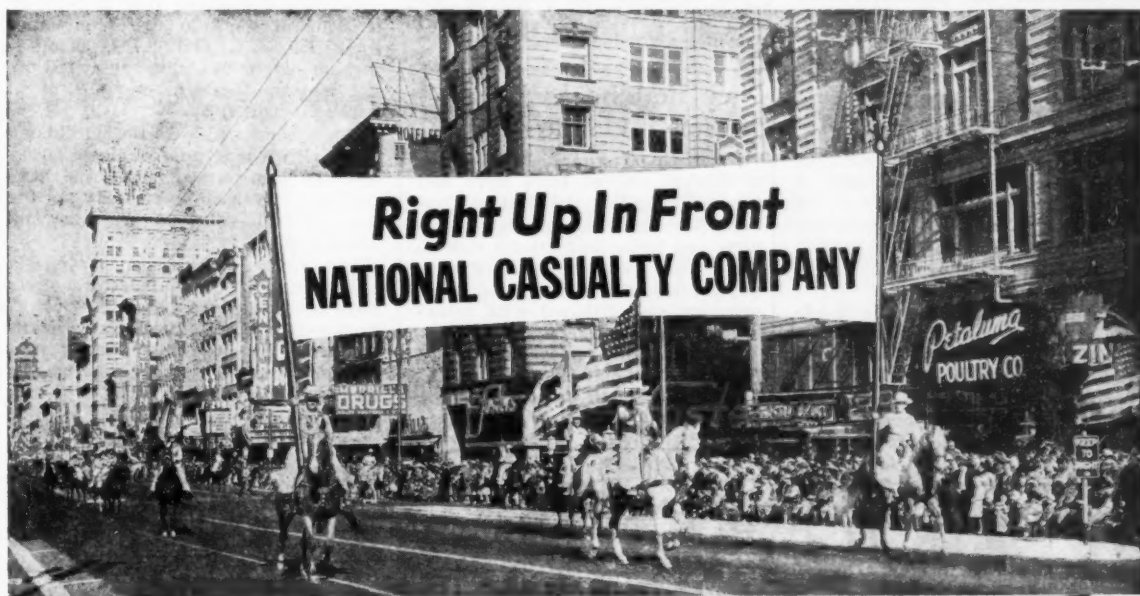
Mr. Litterer joined Home in 1927 as an automobile underwriter, later transferring to Home Indemnity's metropolitan department as automobile supervisor. He became department assistant manager in 1948.

McGee of Aetna Retires; Pugh, Thompson Raised

After 40 years service L. C. McGee is retiring as manager of the Minneapolis and St. Paul offices of Aetna Casualty. Robert L. Pugh, superintendent of agents at Minneapolis, has been appointed manager, effective Oct. 1 and Fred C. Thompson, assistant office manager at St. Paul, has been named assistant manager.

Metcalf in New Post

B. F. Metcalf has been named executive special agent by Continental Casualty, Chicago branch, of which Henry Lustgarten is resident vice-president. Mr. Metcalf is well-known in downstate Illinois insurance circles and most recently spent five years at Peoria as manager for G. A. Mavon & Co. agency. He entered insurance with U.S.F.&G. and spent 12 years with the company in various parts of the country, eventually becoming agency supervisor.



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Utah Agents Elect Ray Carr President

Ray E. Carr, Richfield, was elected president of Utah Assn. of Insurance Agents at a meeting of incoming directors following the business session of the annual convention at Ogden last week. Harold W. Dance, Logan, was named vice-president; and Ralph D. Callister, Salt Lake, and Fred S. Thomas, Salt Lake, were reelected state national director and secretary-treasurer respectively.

Newly elected directors are Fred Freorer Jr., Ogden, and Ray M. Heal, Provo.

Total registration for the convention was 181. Key resolution thanked the Utah highway commission for painting yellow stripes on the right hand side of highways to help drivers avoid going onto shoulders at night.

The new directors were installed at the banquet by Gov. Lee of Utah. The past president's award was won by the Ogden association. George R. McClure, immediate past president, made the presentation.

Texas Commissioners Prepare To Handle Insurance Stock Sales

Texas Board of Commissioners, which on Sept. 6 was put in charge of administration and enforcement of the new insurance securities regulations, has sent out an announcement stating that at this time it is not approving insurance security issues.

The department was not able in advance of the effective date of its appropriation to print forms, assign personnel or otherwise handle or consider applications for approval of stock issues, the announcement says. The board is proceeding to organize the

new division and begin enforcement of the law, but this will require time and considerable additional effort.

More than 60 companies have written to have securities approved, and about 1,200 salesmen and dealers have written regarding licensing. The board says it is preparing necessary forms and questionnaires and applications will be considered as received.

However, there is no legal basis for the board either to declare a moratorium on enforcement of the new law or grant temporary permits to continue sales of stock. "The law will be enforced as the legislature intended."

Attention is also called to the belief of the board that in some cases salesmen are offering stocks in corporations which are in effect holding companies for insurers. Such corporations are not within the jurisdiction of the board, but are under the regulation of the secretary of state, it is noted.

To Plan Evansville Ad Program

Evansville (Ind.) Assn. of Insurance Agents at its Sept. 19 meeting will discuss its advertising program for which the association has set aside \$8,000. There will be a talk by Dean Long of Evansville College, who will explain a night insurance course.

New Handbooks Ready for Iowa, Florida

New Underwriters Hand-Books of Florida and of Iowa have just been published by the National Underwriter Co. Each provides complete and up-to-date information on the agencies, companies, field men, general agents, groups and other organizations affiliated with insurance throughout the state it covers.

Copies of either may be obtained from the National Underwriter Co., at 420 East Fourth street, Cincinnati, at \$12 each.

\$2½ Million Fire Loss at Chicago Plant

Loss caused by an explosion and fire which destroyed Carr-Consolidated Biscuit Co. at 1465 West 37th street, Chicago, Sept. 1 has been set unofficially at \$2½ million and possibly more.

A company spokesman said he understands the biscuit plant is a total loss and "hopes" it is fully insured by Factory Mutuals which is reported to have issued a new policy for the biscuit plant on Sept. 1, the same day of the fire. It is understood that Factory Mutuals carried the bulk of the line, issuing the biscuit company a binder last July 1 and delivering the new policy Sept. 1, just a few hours before the catastrophic fire broke out.

Also damaged by the same fire was a building owned by Griffith Laboratories at 1415 West 37th street, which is reported to have suffered a loss of about \$250,000, of which \$200,000 is building and contents and \$50,000 business interruption.

Griffith is reported to be insured by a group of some 30 stock companies for \$2,750,000 BI and \$2,150,000 building and contents. Adjusting the Griffith loss are Western Adjustment and R. M. Kerwin & Son.

The combined Carr-Consolidated and Griffith loss, approaching \$3,000,000, has been termed "the largest single loss of the year and possibly of the last several years in Chicago and Cook county."

In addition to extensive property loss at Carr-Consolidated, three lives were lost and at least a score of workmen were injured. A spokesman of the company said workmen's compensation and general liability was carried in Fidelity & Casualty.

Immediately following the fire there was some question as to whether the

fire originated in the Griffith building or in the Carr-Consolidated plant. One adjuster said it was his opinion the fire definitely started in the Carr-Consolidated plant.

The National Board and Illinois authorities have been investigating the cause and origin of the fire.

Carr-Consolidated employees said it was possible the blast occurred in one of the baking ovens.

The big Carr-Consolidated plant destroyed by the fire included a main six-story building, a three-story annex, and a two-story building connecting the six and three story buildings.

A rear portion of one of five buildings owned by Griffith Laboratories, a food chemical company, was damaged by the fire. The damaged Griffith structure housed a spice extracting unit.

Gardner Executive V-P of AIMA, N. Y.; MacCabe to Retire

American International Marine Agency of New York has elected H. Geary Gardner executive vice-president and a director. The announcement also disclosed that President Fred MacCabe will retire at the end of the year.

Mr. Gardner has been a marine vice-president of American International Underwriters since his arrival at New York last year. He joined AIU in 1950 as president of American International Marine Agency of California with headquarters at San Francisco. He also directed the operations of the agency branches at Seattle and Los Angeles.

Mr. Gardner entered the marine business with the London office of Union of Canton. He served in the field in Indonesia, Hongkong, Singapore and Shanghai and in 1930 became acting manager for the company in Canton. He later was manager at Tokyo, Yokohama, Manila and Hongkong.

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Reviews Economy Auto Situation for Pa. Agents

PITTSBURGH—The economy auto insurance plans that have been put into the field by agency insurers to meet price competition or that apparently are being seriously contemplated were reviewed in detail at the convention here of Pennsylvania Assn. of Insurance Agents by Thornley B. Wood of Philadelphia, chairman of the casualty committee. This is said to be the first roundup of the plans and the presentation reflected considerable research by Mr. Wood and his committee. The survey included communication with the insurers and the description of the plans was in substantially the insurers' words.

In addition to the plans generally known, Mr. Wood brought out that Indemnity of North America is surveying the situation. That company has a questionnaire circulating at present but is not ready to make a statement. Ohio Casualty also has surveyed the field with the thought of launching the plan through a subsidiary company. However, the company has received so much opposition from their agents, Mr. Wood said, that they have laid aside the idea for the present.

General Accident has formed a new subsidiary, Pennsylvania General Ins. Co., to provide a vehicle by which agents of the General Accident group could compete with specialty companies making inroads on its business and with economy auto plans of agency insurers. Presently the company is to be active in Washington and Oregon where General Accident indicates its agency organization is in great need of the facility. The company will be available for use in other states when it becomes apparent that General Accident agents in those states need and want the facility.

Pennsylvania General's plan does not provide for direct billing by the company. The local agent remains the sole point of contact with insured. The operation in each area will be determined only after a careful study of the rates and practices of the companies which make the action necessary. Every possible economy is being affected in processing the business.

Mr. Wood said that Ohio Casualty indicated that in certain areas it may use an economy plan through its West American as it has done in Oregon and Washington for a year. There is pressure from its agents to introduce the plan in California. The West American plan generally follows the Safeco program with a 20.8% reduction from manual rates and a 15% commission.

Safeco officials are very enthusiastic about their plan and speak of their coverage as the broadest on the market today. The policy is for six months, continuous, with provision to write physical damage for longer terms on a conditional sales contract and with option to attach comprehensive personal liability. There is an application signed by applicant in part and by the agent. Terms are cash or half the gross premium plus 50 cents and the balance in 60 days. Premium notices at the end of six months extend the policy, notices going to the insured with copy to agent. The name of agent appears prominently on the notices with suggestion to insured to

contact agent for information or additional insurance. Rates are 20-25% below bureau, commission is 15%.

Boston Indemnity, Mr. Wood continued, is operating its plan in New York state only, at 15% commission for all coverages, at rates 18% off bureau. Terms are premium with application. The agent fills out the application and underwriting questionnaire and collects the premium. The company uses a photo copy process to make up the policy, which is returned to the agent for delivery. Endorsements and changes are handled similarly. Renewals are by certificate through the agent, who collects renewal premiums. Agents remit net, to eliminate all suspense and accounts current.

The plan of Eureka Casualty of Fire Association group in Ohio includes CPL and sells at rates about 20% off, the premium payable in advance of policy preparation at the head office. Renewals will be automatically processed and bills and renewal certificates will be sent to the agent. Six or 12 months policies will be written, or up to 36 months where necessary.

Fire & Casualty of Connecticut had

a program in Florida, reinsured in National of Hartford group. However, Mr. Wood said, at present United National Indemnity of the group has a specialty number operating in Florida only. The plan is six months with merit rating of up to 20%, all billing through the agent and 15% commission unless agent's loss ratio is 40% or under, when it goes to 20%.

Mr. Wood pointed out special features of the plan of Sea of Chubb & Son group, such as recognition of agent ownership of expirations, issuance and renewal by the agent, no credit, greatly reduced handling by eliminating most endorsements, etc.

Each producer must decide his attitude toward such plans, Mr. Wood said. He personally doesn't want any kind of six month-policy—he doesn't need it in his area, and neither do other agents with whom he has talked. However, in some areas, even in Pennsylvania, agents may want it and seem to need it. Hence, he believes, their companies should rescue them with some plan.

But he thinks that as sure as agents go along with a reduced commission proposition, they will have established

a precedent and face 15% in other business, as competition reaches other fields.

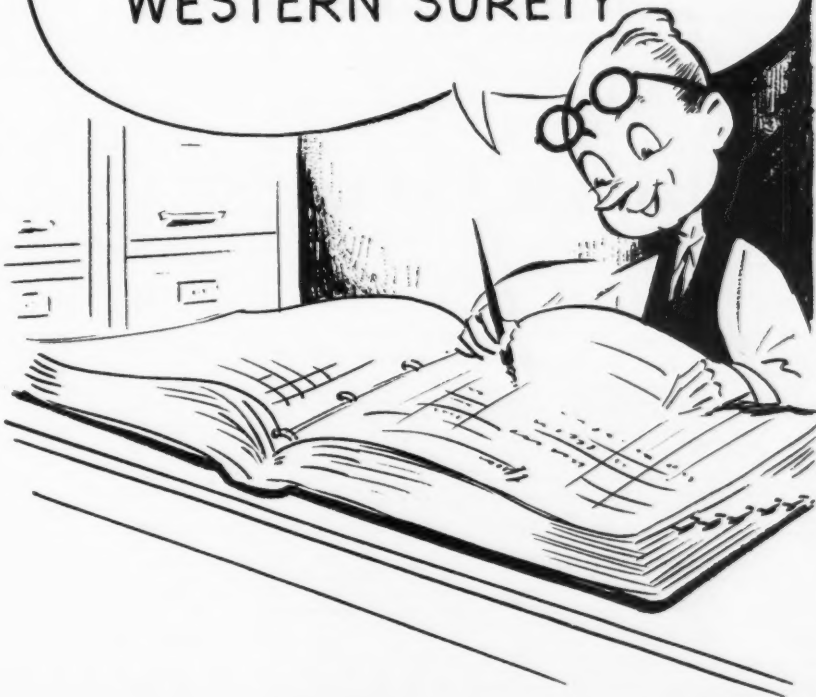
He suggested that companies explore other means of reducing expenses such as a three or five year auto policy renewed by machine and paid semiannually or annually. The business is getting rid of more and more handling. It has even been suggested that the business eliminate all one year fire policies. A three year auto policy would cut cancellations, and could be offered in addition to the present annual policy, at a discount, as is done with CPL, fire, etc.

Also why not try a centless premium on all policies and eliminate no-money endorsements at a terrific saving to agent and company, Mr. Wood asked. Another help would be to figure auto collision and fire and theft premiums at a rate for the first two years of the car's age, at 10% off for the next year and at 20% off for cars four years old and older. That would save a lot of figuring.

In the end, he concluded, nothing is going to change the fact that unless the agent sees the prospects he isn't going to sell them.

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"It's quality insurance—and real peace of mind."

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Convention Dates

Sept. 15-16, New Jersey Assn. of Insurance Agents, annual, Chalfonte-Haddon Hall, Atlantic City.

Sept. 15-16, Minnesota Assn. of Insurance Agents, annual, Hotel Kahler, Rochester, Minn.

Sept. 15-17, Louisiana Assn. of Mutual Insurance Agents, annual, Edgewater Gulf hotel, Edgewater Park, Miss.

Sept. 15-17, Montana Assn. of Insurance Agents, annual, Northern hotel, Billings.

Sept. 18-19, Insurance Federation of North Dakota, annual, Dakota hotel, Grand Forks.

Sept. 18-20, Washington Assn. of Insurance Agents, annual, Leopold and Bellingham hotels, Bellingham.

Sept. 19-20, Minnesota Assn. of Mutual Insurance Agents, annual, Leamington hotel, Minneapolis.

Sept. 19-21, New Hampshire Assn. of Insurance Agents, annual, Wentworth-by-the-Sea hotel, Portsmouth.

Sept. 20, North Dakota Assn. of Insurance Agents, annual, Dakota hotel, Grand Forks.

Sept. 20-21, South Carolina Assn. of Insurance Agents, annual, Columbia hotel, Columbia.

Sept. 20-23, Mutual Loss Managers Conference, Chicago.

Sept. 22-23, Oregon Assn. of Insurance Agents, annual, Multnomah hotel, Portland.

Sept. 25-27, Kentucky Assn. of Mutual Insurance Agents, annual, Kentucky hotel, Louisville.

Sept. 26-27, Mutual Agents of New England, Hotel Somerset, Boston.

Sept. 26-28, Bureau of Accident & Health Underwriters, annual, Mount Washington hotel, Bretton Woods, N. H.

Sept. 28-30, Society of Chartered Property & Casualty Underwriters, annual, Fairmont hotel, San Francisco.

Sept. 29-Oct. 1, Nevada Assn. of Insurance Agents, annual, Sahara hotel, Las Vegas.

Oct. 2-5, National Assn. of Casualty & Surety Agents, annual, The Greenbrier, White Sulphur Springs, W. Va.

Oct. 3-5, National Assn. of Insurance Agents, annual, Statler and Biltmore hotels, Los Angeles.

Oct. 3-6, California Assn. of Insurance Agents, annual, Biltmore and Statler hotels, Los Angeles.

Oct. 9-12, Conference of Mutual Casualty Companies, Jefferson hotel, St. Louis.

Oct. 9-13, National Assn. of Mutual Insurance Companies, annual, Jefferson hotel, St. Louis.

Oct. 10-12, Federation of Mutual Fire Insurance Companies, Jefferson hotel, St. Louis.

Oct. 16-18, Maryland Assn. of Insurance Agents, annual, Fort Cumberland hotel, Cumberland.

Oct. 17, Rhode Island Assn. of Insurance Agents, annual, Sheraton-Baltimore hotel, Providence.

Oct. 17-19, National Assn. of Mutual Insurance Agents, annual, Netherland Plaza hotel, Cincinnati.

Oct. 17-19, Western Underwriters Assn., annual, Greenbrier hotel, White Sulphur Springs, W. Va.

Oct. 17-19, Wisconsin Assn. of Insurance Agents, annual, Hotel Schroeder, Milwaukee.

Oct. 21-22, New Mexico Assn. of Insurance Agents, annual, La Fonda hotel, Santa Fe.

Oct. 23-25, Arizona Assn. of Insurance Agents, annual, Westward Ho hotel, Phoenix.

Oct. 23-25, Kansas Assn. of Insurance Agents, annual, Town House hotel, Kansas City, Kan.

Oct. 24-25, Tennessee Assn. of Insurance Agents, annual, Andrew Johnson hotel, Knoxville.

Oct. 25-26, Massachusetts Assn. of Insurance Agents, annual, Sheraton-Plaza, Boston.

Oct. 26, Connecticut Assn. of Insurance Agents, annual, Hotel Statler, Hartford.

Oct. 26-28, Insurance Accountants Assn., annual, Shoreham hotel, Washington, D. C.

Oct. 26-28, American Management Assn., insurance conference, Palmer House, Chicago.

Oct. 27-28, Nebraska Assn. of Insurance Agents, annual, Fontenelle hotel, Omaha.

Oct. 27-28, Pacific Fire Rating Bureau, annual, Camelback Inn, Phoenix.

Oct. 28-29, Colorado Insurers Assn., annual, Broadmoor hotel, Colorado Springs.

Oct. 30-Nov. 1, Missouri Assn. of Insurance Agents, annual, Muehlbach hotel, Kansas City.

Oct. 31, National Assn. of Mutual Casualty Insurance Companies, annual, Edgewater Beach hotel, Chicago.

Oct. 31, National Assn. of Automotive Mutual Companies, annual, Edgewater Beach hotel, Chicago.

Oct. 31-Nov. 2, National Assn. of Independent Insurers, annual, Sherman hotel, Chicago.

Oct. 31-Nov. 2, American Mutual Alliance, annual, Edgewater Beach hotel, Chicago.

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The Home Insurance Company's current advertising stresses two things — the value of your services and the quality of the protection you provide.

Remember the "brand name" theme — use it in your own selling efforts. You'll find that it's a sound, sensible and effective way to turn prospects into policyholders.

This advertisement
appears in color in:

American Home—November

Better Homes and Gardens—November

Nation's Business—October

Town Journal—October

Business Week—October 8

Newsweek—October 10

Time—October 10

U.S. News & World Report—October 21

Fire and Casualty Insurance

COMMENTS - TRENDS - OBSERVATIONS

Recent Inland Marine Trends and How They Can Earn Business Told by Gibson

In a talk before Southern Insurance Institute at the University of Mississippi, on recent inland marine developments and the outlook, H.F. Gibson, assistant manager of the southern marine department of Automobile, said that any study would be incomplete without mention of the physicians and surgeons equipment floater.

He said this form now has become an important item in the alert agent's kit of effective sales ideas and the premium volume which has resulted from it has been quite surprising. No longer must the marine form be limited to the doctor's bag or those instruments ordinarily carried from the office.

He pointed out that a single all risk policy can now be written covering all medical, surgical, or dental equipment and instruments, supplies, medicines, etc., whether or not portable in nature or carried from the premises. Furniture and fixtures in the doctor's office can now be added by endorsement in all states except one, packaging in one policy coverage previously not even completely obtainable in several states. The sales opportunities thus created should not be underestimated.

Mr. Gibson said that processing policies, covering properties in transit and in the custody of bailees for the purpose of performing work thereon, including treatment and assemblage, are becoming more popular. These covers meet the needs of the manufacturer who, turning to the specialist, sends out component parts of a complete article for processing, as well as bailee who accepts these properties.

The practice of letting out to others various manufacturing processes became prevalent during the second world war as a matter of necessity and has continued since, as a matter of practical efficiency and economy.

It is not unusual, he said, to find a single manufacturer who uses dozens, or in instances of larger manufacturers, even hundreds of outside individual processors. The policies are designed to cover on a broad specified peril basis or even in certain instances on an all risk basis from the time the property leaves the premises of the owner, during transit to and from and while at the premises of the processor. Either the interest of the owner, or of the processor or a combination of both can be insured.

Another outstanding example of the growth of the marine business in recent years is the live animal floater class. Farmers have become more closely acquainted with the advantages of these forms and in many instances have been able to obtain necessary financing that otherwise would have been difficult or impossible without proper coverages against insurable loss.

The poultry industry has enjoyed an almost unbelievable growth in the field of broiler raising on a finance basis.

In cooperation with feed dealers, flocks of day old birds are farmed out to individual growers and when sufficient growth has been attained, usually within 10 to 13 weeks, the birds are marketed, the costs and expenses financed are paid and the profits are divided. During the growing period, the flocks are insured against fire, extended coverage perils, transportation hazards and usually loss by smothering from specified causes. Policies are usually written on a flock-monthly reporting basis, premiums paid as earned. The premium volume from this phase of poultry raising alone can be conservatively estimated at over \$1 million annually.

Mr. Gibson said the turkey raising industry has turned to the general use of similar policies, protecting against loss of flocks through the longer growing period involved until marketing time, usually in the late months of the year prior to the holiday demand. Special policy forms are available to the egg raisers. Flocks are frequently covered from time of hatch, subject to a stipulated scale of value increment until maturity; the insured value during the laying period is gradually reduced until at the end of the normal laying period the hen is insured for approximately the remaining market value.

Mr. Gibson said agents alert to the needs of their clients should not overlook the numerous transportation forms now available. The marine definition classifies domestic shipments into two categories: shipments of merchandise on consignment and shipments not on consignment.

Consignment shipments are those entrusted to a factory or agent to be held in care or control for sale, exhibit, trial, approval or auction. Shipments of merchandise for which there is not a definite existent consumer market, i.e., merchandise of a specialty nature, new or unused products or commodities are usually shipped under consignment arrangements. Formerly consignment merchandise for sale or distribution could only be insured under a marine form of policy for 30 days after arrival at the consignee's premises.

In many instances this was inadequate and other supplemental forms of policies had to be arranged. Such shipments can now be covered up to 120 days following arrival, permitting, in the majority of the cases, adequate coverage under a single broad form marine policy. By the very nature, most consignment shipments have to move on to the buyer in a reasonable time in order to bring about prompt financial return; hence in most instances

the incidental storage can be covered right in the transportation policy, meeting adequately the needs of such shippers.

Mr. Gibson pointed out that all other shipments, not on consignment, can be covered without limit as to time on premises of transportation or freight forwarding companies, and for 90 days—formerly 30—at other places of storage, except the shipments to premises of insured or the purchaser cannot be insured after arrival. The unmistak-

able evidence of the past few years' record that shippers are becoming more aware of the needs for broad tailored transportation floaters is recognized. Well dispelled, as a result of several highly publicized catastrophe losses, is the notion that complete reliance upon the insurer's liability is good business judgment. Also, an important factor is the continuing trend toward released value bills of lading, making the matter of proper insurance protection of paramount importance.

Revised CDP Has More Flexibility, Wider Latitude of Coverage, Eligibility

The revised comprehensive dwelling policy coverage approved in several states as recommended by Interbureau Insurance Advisory Group, is more flexible, offers a wider latitude of coverage and eligibility and includes changes in the discount structure.

While the policy was previously available only to the owner occupant of a one or two family dwelling, the policy can now be used to cover an owner occupant of a four family dwelling in many states, as well as tenants occupying any private living quarters. Because of the flexible rate structure, it is now possible to insure tenants not only in class rated but also in specifically rated buildings.

A wider series of endorsements incorporated in the revised coverage increases the use of the CDP in many areas previously requiring special handling. Among these are endorsements which permit the coverage of a non-occupant owner of a dwelling in the event of joint ownership, the insuring of incidental office, business or professional occupancies, increased amounts of money and securities for theft, business pursuits, watercraft and other similar endorsements.

Insured is now offered a wider

choice of fire coverage in coverage group A including:

(1) The standard coverage A, incorporating the basic perils of fire, extended coverage and additional EC on dwellings and contents; (2) a broad form which is comparable to the broad form dwelling and contents coverages now available in use nationwide; (3) a special building form which parallels the building special form now available in most fire rating jurisdictions, and (4) a broad form-contents only form which provides insurance on contents in any residential occupancy, paralleling the perils of the usual broad form for building and contents. This form, however, does not include those perils applicable to building only.

The broad form-contents only coverage may be used in conjunction with the special form (buildings only) which would then give a substantial all risk coverage on the dwelling plus a broad form coverage on contents.

When the CDP is issued to tenants, other features are incorporated in the form which would be especially applicable to the need of a tenant. There is an optional extension of coverage for

(CONTINUED ON PAGE 30)



Seymour of South Boston, Va.; Cleare Filer of Miami; J. W. Milstead of Sheffield, Ala.; Carl Stanton of Memphis; and Bert Havard Jr. of Gulfport, Miss., president of Mississippi Assn. of Insurance Agents.

Eight states were represented at Southern Insurance Institute at University of Mississippi. Shown here are one agent from each of the states represented at the institute snapped in the lobby of the institute headquarters. They are, from the left, Rufus C. Harding of Toccoa, Ga.; Emmett Herring Jr., of Hammond, La.; Andy S. Ritger of El Dorado, Ark.; Mrs. Elizabeth

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Exchange Insurance Association

Pa. Agents Want Dwelling Form Uniformity

(CONTINUED FROM PAGE 1)

town, Robert C. Roha of Meadville, Walter St. Clair of Latrobe, George W. Unger of Scranton and Robert York of Reading.

The local board membership cup went to the New Castle Assn. The fire safety trophy went to Wilkes-Barre.

Nelson T. Walker of Erie in his fire safety committee report said agents are urging manufacturers of fire alarms to develop a satisfactory home fire alarm system. Some systems have been promoted which are not satisfactory. There would be no rate credit but it is a fine program.

Mr. Graul said the public relations committee has been directing its effort principally to local board advertising and promotion of the local agent. He described some of the confusion that was produced by different methods of handling wave wash after Hurricane Carol and different loss procedures followed by the insurers. These difficulties are being outlined for presentation to the companies.

Mr. Graul described the good work of S. Huber of Scranton in getting insurers to ease application of policy provisions after the terrible floods, such as increase of fire hazard in buildings and homes. A number of companies complied with the suggestions.

W. Howard Stewart of Clearfield reported for the agents qualification committee.

This association gets a lot of mileage out of its committees. They do exceptionally good work and some of the reports form a vital and important part of the annual program.

George Unger invited the 1957 convention to Scranton. The 1956 meeting will be held in Bedford Springs.

Maurice J. Herndon, manager of the Washington, D. C. office of NAIA, discussed federal activities of insurance significance at a luncheon sponsored by Insurance Club of Pittsburgh. About 25 members of insurance buyers of Pittsburgh were guests.

Lawrence D. Willison Jr. of Wilkes-Barre, retiring president, reported that membership is at an all time high. He paid particular tribute to his committees and to the headquarters staff of Frank D. Moses and Marshall W. Davis. Among other activities he called attention to the suit brought by a group of Blair county agents against an automobile dealer under the state anti-rebating law. General Counsel Huette F. Dowling is participating.

Aaron S. Feinerman of Harrisburg, who has served for several years as chairman of the education committee and who has done such an outstanding job in the post resigned due to the press of business, and Mr. Willison paid particular tribute to his work.

Mr. Willison said he is convinced the association must expand its activities to meet the problems which face it.

John Skelton, counsel of the state insurance department, reported that the bill increasing department fees has passed the house and is now in senate committee. The bill, shaped after consultation with the business, would produce money the department badly needs for a staff expansion by increasing the agent's license from \$2 to \$3, by a new examination fee of \$10 for producers, and by charging an application fee of \$5 for the agent who has

qualified but wants to be licensed by another company. The business agreed to the increases if they are used in the insurance department.

Another department bill is aimed at stopping repeated failures of insurers in the state, Mr. Skelton said. This measure would require domestic mutuals to maintain unearned premium reserves. They will be given five years to get up the reserve. The bill does not apply to domestic mutuals writing less than \$75,000 of premiums a year.

Commissioner Smith was unable to attend the convention because of the serious illness of his mother. In addition to Mr. Skelton, the department was represented by Deputies Balaban and Kelly, who also spoke, and by Frank J. Holczman, chief of the brokers and agents division, and William Fox Jr. of the rates and regulations section. The latter formerly was with Continental Casualty and Standard Accident.

Charles W. Tye of Joseph Froggatt & Co., New York, discussed agency taxation. He believes agency tax liability is higher than it should be because of a lack of proper planning and management.

The time has come for producers to demand that companies standardize the 15 to 20 different homeowners policies, Thornley B. Wood of Philadelphia declared. Reporting for the casualty committee, he said there should be one such policy.

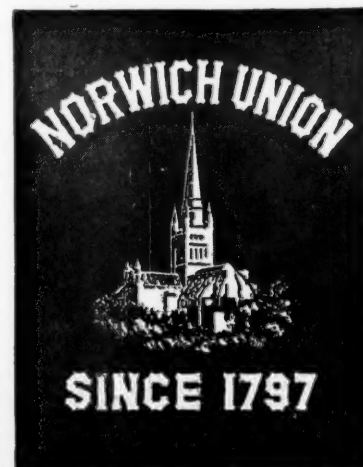
He called attention to an unusual U. S. supreme court decision that an injured workman can get workmen's compensation benefits in his home state and sue for damages in the state where injured.

The illustrated policy has received more attention than ever before and Mr. Woods likes the idea. He hopes agency companies will give it more consideration. The state association at this convention voted to favor it.

The panel on agency management was well attended despite a golf tournament, and was pronounced a big success. It will be reported in a subsequent issue.

American Casualty was host at a cocktail hour Monday, and the following were among those maintaining headquarters suites:

American Casualty, American-Associated, American, Camden, Chubb & Son, Continental Casualty, Corroon & Reynolds, Crum & Forster, Excelsior, Fidelity & Deposit, which also offered a coffee bar, Great American, Maryland Casualty, New Amsterdam Casualty, Northern of New York, National Union, Ohio Farmers, Pacific Fire, Pacific National-Manufacturers Casualty, Standard Accident, U. S. F. & G., and Yorkshire.



Need Public Relations to Ease A&H Situation

(CONTINUED FROM PAGE 8)

when rejection is based on misrepresentation or pre-existing conditions, the source of many complaints.

There has been much publicity lately with regard to policy provisions permitting cancellation and the right to refuse renewal, especially if these rights are exercised after payment of a claim and because of some condition discovered in the processing of the claim. This frequently leads to a demand that all policies be made non-cancellable and guaranteed renewable. This would, of course, solve that problem, he said, but since all non-cancellable premiums in 1954 amounted to only \$100 million, or about the total premiums in 1921, it is evident that this solution is many years in the future, if ever.

Since the greater part of outstanding policies can be terminated at the option of the insurer, it must be assumed that there will be occasions in which the use of this option will be justified, Mr. Pauley said. It should be used with exceeding care, and when, after thorough study of the individual case, no other solution is available. Agents may say this is a problem for the underwriting department, but the agent is in the best position to evaluate the case and to suggest means of avoiding drastic action, such as waivers, increased premium, decreased benefits, or the issuance of a different policy form. Whatever action is taken should be communicated to insured in such a way as to cause the least possible dissatisfaction. A personal interview, if it is possible, is the best way, but if this is not feasible, a personal letter

setting forth as fully and persuasively as possible, the company's reason for its action. A form letter or cancellation form should never be used.

Complaints frequently are based on exceptions, restrictions, or inadequate coverage in policies. Such provisions should not be construed technically and only used when they are clearly applicable. The claims man can render a real service by reminding management that the present tendency is to use only a few such exceptions or restrictions.

Mr. Pauley said he did not think that any claims should be rejected; there are and always will be claims that are not valid. When such a claim appears and the claims man has marshalled all the necessary evidence, then the real test of his ability begins. He must convince the claimant that the rejection of his claim is justified and thus avoid another center of unfavorable publicity. This will require all his patience, his ingenuity, and his tact, but in many cases his effort will be well rewarded, he said.

He recommended the use of the simple, but adequate claim forms which are acceptable to the doctors and hospitals, but which are not used by many companies. He suggested that perhaps some disciplinary action will have to be considered to compel their use. The universal use of these forms would be an important contribution to public relations, he said.

Insurance Problems Course Is Offered

Among the courses to be offered by school of insurance of Insurance Society of New York is a new one on general insurance problems, to be offered in the fall semester, beginning Sept. 19, and also in the spring. The practical aspects of estate planning will be emphasized in a course conducted by B. William Steinberg, Jamaica, N. Y., general agent of Massachusetts Mutual Life.

The new general insurance course will be open only to applicants accepted in interviews. It will cover public relations, insurance and business associations, government regulation and competition, and current and controversial topics such as flood coverage, atomic energy insurance, the trend toward comprehensive policies and the regulation of unlicensed insurers.

Farmers Mutual of Wis. Enters Auto AD&D Field

Farmers Mutual Automobile of Madison has begun writing death and specific disability insurance in Wisconsin, Nebraska, North Dakota, South Dakota and Indiana, as an endorsement to the revised auto policy.

The new coverage provides a death benefit of \$5,000 or \$10,000. Benefits up to these same amounts are paid for dismemberment or loss of sight. Specific amounts are paid for fractures, dislocations and any hospital confining injury. Coverage is available to the named insured and any member of the family residing in his household. Cost of a \$5,000 maximum benefit endorsement is \$2 per person named for the first six months. The semi-annual renewal rate is \$1. Rates for the \$10,000 maximum benefit are \$1 more each six months.

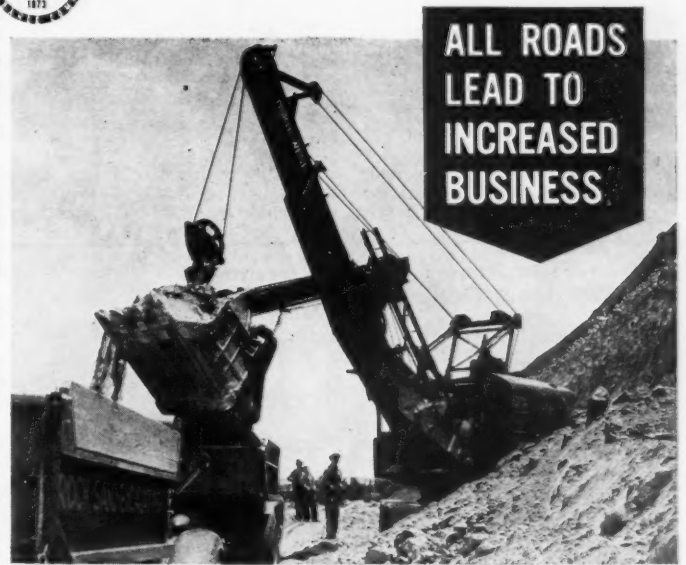
Taylor Named in Texas Field

Merrimac Mutual Fire and Cambridge Mutual have appointed Terry Taylor as special agent in south Texas with headquarters at Houston. He will be associated with Kenneth Gordon, manager of the southwestern department. Mr. Gordon has headquarters at Dallas. Mr. Taylor has been in the Texas field for a general agency.



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Fire Sp. Agt.	Wisc.	7,000
Fire Sp. Agt.	Ga.	5,500
Fire Sp. Agt.	Mich.	5,400
F. & M. Sp. Agt.	Minn.	7,500
Fire Sp. Agt.	Iowa	7,000
F. & C. Sp. Agt.	Fla.	5,500
Fire Sp. Agt.	Fla.	6,500
F. & C. Sp. Agt.	Ohio	6,000
Fire Sp. Agt.	Ind.	6,500
Fire Sp. Agt.	Colo.	5,500
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Report on Damage Caused by Floods

Two more local agents have reported on the damage caused by the floods that followed Hurricanes Connie and Diane.

Austin H. Cook, treasurer of R. P. Smith & Son of Woonsocket, R. I., writes:

Woonsocket was hit badly and has suffered a severe financial loss. From the insurance business standpoint, however, as far as we have been able to learn up to this time, there was very little involved. We know there will be some claims under personal property floaters; a limited number of automobiles written on the so-called broad form have been ruined, and some of the automobile dealers whose show rooms were in the vicinity of the worst of the flooded area have suffered a substantial loss, both on new and used cars.

We insure, of course, several mills, including commission dye houses, but this agency finds itself very fortunately situated in the very limited number of claims under policies of that nature. We can't answer for customers of any of the processors who may have had merchandise damaged. We doubt, however, if even their policies include flood damage coverage.

Perhaps we can sum it all up by saying that, with the exception of the above specifically mentioned losses—automobile, etc.—Woonsocket has been hit, insurance-wise, but lightly.

Florence A. Cassidy of McEvoy, Inc., Waterbury, Conn., writes:

There was practically no insurance loss as a result of the flood, as to stock or machinery. There may be some commercial and personal floater claims, and there were numerous automobile claims.

Field Management Changes Made by GAB

General Adjustment Bureau has named Philip M. Percy assistant manager at Boston, succeeding W. G. Angell who has resigned, and appointed Arthur M. Foley who has been branch manager at Stamford, manager at Manchester, N. H., succeeding Mr. Percy.

John L. Osborne Jr., replaces Mr. Foley as manager at Stamford and is succeeded as manager at Monticello, N. Y., by John B. McLaughlan. Fred L. Bross Jr. is new manager of the Bronx, N. Y., office succeeding the late Owen T. Hughes.

Mr. Percy joined GAB at Boston in 1934 and has served at Worcester, Portland, Me., and Brockton, Mass., where he was named adjuster-in-charge in 1951 and manager two years later. The following year he went to Manchester as manager.

Mr. Foley joined GAB in 1930 at Worcester where he became manager in 1942. He was appointed assistant manager at Springfield, Mass., in 1945 and manager at Stamford in 1949.

Mr. Osborne, with GAB since 1946, was a staff adjuster at Jamaica and White Plains, N. Y., prior to his appointment as manager at Monticello in 1954.

Mr. McLaughlan joined GAB at Albany in 1946, went to New York later that year and was assigned to Newark in 1948 and New Brunswick in 1953.

Mr. Bross began his service with GAB at Newark in 1940 and later served as a member of the adjusting staffs at White Plains and New York. In 1954 he supervised the operations of the Patchogue, N. Y., storm office after the advent of Hurricanes Carol and Edna.

Peoria Association Elects

Wendell G. Cleaver has been named president of the Peoria Assn. of Insurance Agents.

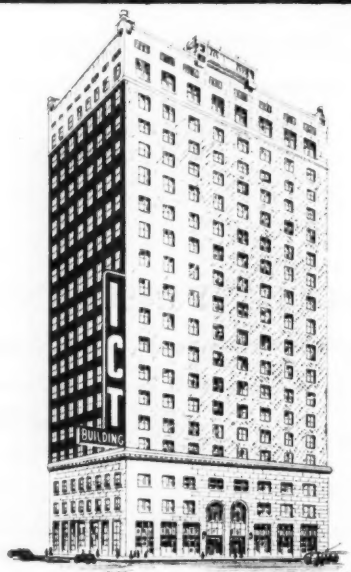
Other officers are James H. Hawk, vice-president; Frank B. Harbers, treasurer, and Robert C. Montgomery, secretary.

Standard Accident Names Two

Standard Accident and Planet have named William D. Stafford field representative at Dallas and Daniel F. Hurley Jr. bonding field representative at Buffalo.



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Agents Give Views on Mandatory EC Deductible in Pa.

PITTSBURGH—Through the mandatory \$50 extended coverage deductible went into effect in Pennsylvania Aug. 16, there was considerable discussion of the matter at the annual meeting of Pennsylvania Assn. of Insurance Agents here. Harold C. Aulenbach of Reading, chairman of the fire and allied lines committee, gave a detailed review of the agent's opposition to the mandatory and the reasoning behind their position. His conclusion was that the agents should have the privilege of discussing contemplated rule changes, rate increases, etc., with the companies before the rating bureau governing board has taken final action.

Mr. Aulenbach's committee did confer with Middle Department Assn. of missioner Smith and Deputy Henry, and others during the period from May 20, when the mandatory filing was withdrawn, and July, when the commissioner approved the refiling. In these discussions, particularly with insurance department officials, the agents brought out the following points:

When the TV exclusion was approved in November, 1954, was this done without substantiating evidence? Wasn't this to be a cure-all, and if so, why is another increase asked for so soon?

With more than 10 years in which to establish an actual experience for each of the EC perils by classes, has this been done? If so, what were the results? Assuming such figures are available, can the companies conclusively prove that the TV antenna was the source of most of the losses? During the period the deductible has been optional was experience broken down between risks subject to deductible and those which were not? Does this experience indicate that the contents rates should be increased or reduced? If not, what is the basis for the present filing?

With the advent of multi-peril cover, has any thought been given to a composite rate?

Has any consideration been given to a combined experience, fire and EC with a reduction if EC is not desired?

If the 1954 experience is included, why not 1955 experience to date?

Many agents in correspondence with their companies found the insurers in favor of an optional, with satisfactory rate differential, rather than the mandatory \$50 deductible.

Since this filing, a reduction in some of the homeowners premiums have been announced without any reference to a change in the form as regards mandatory deductible. Wouldn't this indicate that an increase in EC rates is unwarranted?

Would there be any objection to a franchise deductible on the basis of \$50 or \$100, to be waived when the loss equals or exceeds say \$250 to \$500? Companies using this idea are using it for homeowners C.

Was it intended to include these filed EC changes under all the homeowners' policies?

Has consideration been given to uniformity among companies, or will the present confusion be further confused by non-member companies, direct writers and the mutuals ignoring the bureau filing to take advantage of the situation?

Is it realized that at present the deductible applies to each item? A farm or estate with five or 10 buildings involved in a loss is subject to a combined deductible totaling \$250 to \$500. Would there be any objection to applying the deductible on an occurrence rather than an item basis?

Florida is still on an optional EC deductible basis; so is Oklahoma, a big wind state.

Fred Miller to Give Full Time to Agencies

DES MOINES—Fred Miller, veteran Des Moines insurance executive is leaving the Olmsted insurance interests with which he has been associated for 22 years to devote his full time to operation of Midwest agency in Des Moines, and the Fred Miller, Inc., agency of Benton Harbor, Mich. He is president of both.

The Midwest agency was formed three years ago while the Michigan agency was started July 1. Both specialize in handling unusually extra hazardous and sub-standard casualty risks.

Mr. Miller started with the Hawkeye-Security group as vice-president in charge of underwriting and later took over agency production work. During the past year and a half he has been vice-president and director in charge of Erie, one of the Olmsted companies.

Associated with Mr. Miller in the Michigan agency is Ray Duncan, formerly manager in Michigan for Hawkeye-Security.

S. F. Underwriters to Meet

Fire Underwriters Forum of San Francisco resumes its regular meetings Sept. 14 with a visual and audio review of the workings of Underwriters Laboratories. The topic: "Danger Sleuths."

New officers are: Robert C. Goethe, General Cover Assn., president; Ron Richards, Richards & Co., vice-president; Ted Werner, Fireman's Fund, treasurer, and William Good, Crum & Forster, secretary.

Chicago Buyers To Meet

Mid-West Insurance Buyers Assn. of Chicago will open the fall season with a talk by J. T. Fish, vice-president of Protection Mutual of Chicago, who will give a review of physical damage and time element coverages.

Robert B. Myers of Fairbanks, Morse & Co. is president of the association.

Examination Schedules Are Revised by N. Y.

An amendment to the insurance law has resulted in the New York insurance department revising its schedules for examinations for licenses for the period from Sept. 1 through March 31.

Monthly examinations for life, savings bank life and A&H licenses will be given in New York City and upstate on Sept. 15, Oct. 20, Nov. 17, Dec. 15, Jan. 19, Feb. 16 and March 15, while quarterly examinations for general agents, brokers and public and independent adjusters will be conducted Sept.

American Auto Transfers Liebezeit to Chicago

Paul G. Liebezeit has been transferred to the Chicago bond department of American Auto. He has been bond manager for the company at New Orleans since 1953 and previously, he was with Loyalty group and Great American Indemnity at Chicago.

13, Dec. 15 and March 15.

Inquiries concerning the examinations should be addressed to the insurance department at 324 State Street, Albany.



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EDITORIAL COMMENT

Urges Auto Safety Devices for Rate Credit

In an article in *Advertising Age*, G. D. Crain Jr., its publisher, comments:

At long last it looks as if the two industries most directly concerned with traffic safety are preparing to do something about it.

Recently there have been conferences between the leaders of the automotive and insurance businesses, for the purpose of working out an agreement on policies related to this direful subject. The makers of automobiles and other automotive equipment realize that the public is finally stirred to action and that the industry must do its part to make driving safer.

And the insurance companies, whose loss ratios have been going up both because of heavier traffic volume and the disposition of juries to award higher and higher judgments for personal injuries, know that they must develop an effective program of public education if they hope to improve a very bad situation.

If these two industries, working together on a common problem of vast dimensions, can put their people to work, as seems likely, on community projects pinpointed to fit local situations, some real progress may be made in the long crusade to make America's streets and highways reasonably safe for both pedestrians and passengers.

The automobile companies, which, for all too many years were afraid to discuss the hazards of motor traffic in their advertising and sales promotion, have come to life with offers of safety belts and other devices as optional equipment. *The Saturday Evening Post* recently published an article on the advantages of safety belts that has given added emphasis to the innovations of the manufacturers.

Ford and Chrysler have offered these belts to owners desiring them, and Buick is the first of the General Motors group to make a similar proposal. It may be assumed that other divisions of GM will go along with this progressive move. And Studebaker has announced that its 1956 models will be equipped with safety locks which will keep doors closed in the event of accident, thus preventing the occupants of a car from being hurled to the pavement, as often happens when doors fly open following impact.

With both manufacturers and the public aware of the importance of safety in car design and operation, there is one specific move which could be made with tremendous effect on the public. That is a reduction in insurance rates to owners of automobiles using safety belts and other approved devices. Such a rate concession would be good business for the underwriters, since they would be assured of reduced losses in cases where safety-equipped

cars were involved in accidents. And, at the same time, they would have a great merchandising and advertising opportunity, attracting the most desirable business and demonstrating that they have a real and continuing interest in reducing traffic hazards.

Such a move on the part of the automobile insurance underwriters would have another added value, in that automobile companies would be encouraged to pursue the subject of safer design beyond the initial adoption of safety belts as optional equipment.

Actually, the builders must have been convinced that the public simply doesn't care. Kaiser featured a number of safety features in its designs a couple of years ago, including a movable windshield which fell out of place on severe impact, thus saving the driver from being hurled through the glass. This and other features, such as a padded instrument board, didn't appreciably increase Kaiser sales, and cynics in the business would have been justified in believing that all the public is interested in is smart design, high-speed motors, fast acceleration and attractive upholstery.

But if the insurance companies, whose primary concern must be their loss ratios, demonstrated that they are in earnest in encouraging motorists to adopt safety devices where ever available, and offered the substantial incentive of lower rates to those who took advantage of them, then the public's current interest would be greatly increased, and thousands of insurance agents would become promoters of safety and propagandists for safety belts and every other approved safety device.

Metropolitan Life recently won another major award for public health campaign in *Saturday Review* competition for "advertising in the public interest." Why shouldn't Travelers and other large automobile underwriters take advantage of the opportunity to perform a useful public service and at the same time promote their business in the most desirable fashion by devoting a part of their advertising to describing and illustrating available safety devices and urging the public to adopt them? Offering a rate advantage would be the clincher.

PERSONALS

DeMott Belcher, secretary of Continental, is chairman of the insurance division in the golden jubilee fund raising drive of Travelers Aid Society of New York. Frank Schiff, president of Schiff, Terhune & Co., and John G.

Weghorn, president of Weghorn agency, New York, are co-chairmen. Others on the committee include A. Wes Bartelmes of North America, Alexander Heid Jr. of John A. Eckert & Co., Robert Hogg of Equitable Society, Kenneth J. Ludwig of U. S. Life, John H. Lynch of Webb & Lynch, William Simpson of L.L. & G. and Clifford Thomas of Johnson & Higgins, all of New York.

William N. Day, who resigned as executive secretary of Virginia Assn. of Insurance Agents to accept a similar post with Georgia association, entered association management in 1950 when he created the post of manager of the Maryland association. In his new post he succeeds George DuR. Farleigh, who has resigned after six years of service.

Charles F. Liscomb former president of National Assn. of Insurance Agents, is hospitalized at Duluth, Minn., following a coronary attack.

Leo B. Menner, executive vice-president of Stewart, Smith (Illinois) Inc., is presently in England visiting Stewart, Smith's London office.

Mr. Menner also will spend some time with Lloyd's underwriters while in London.

DEATHS

Commissioner Fischer of Iowa Dies of Heart Ailment

DES MOINES—Commissioner Charles R. Fischer of Iowa, who was serving his 13th year, died of a heart ailment at Mercy hospital here Sept. 8. Although Mr. Fischer had been in poor health for the past few years, he had been active and carried on his work. He was taken to the hospital on the previous Friday and his death came unexpectedly.

Mr. Fischer had been active in Iowa politics for over 30 years having served as campaign manager for three governors. He was first appointed insurance commissioner on Feb. 11, 1939, to succeed Maurice Pew who had resigned to enter the insurance business. Mr. Fischer was later appointed to a full four year term and later reappointed to another term. He left the post when Sterling Alexander was named to succeed him, but after four years was re-named and the present Iowa Gov. Leo Hoegh had re-appointed him to another four year term starting only last July 1.

Previous to his career as insurance commissioner he had served as superintendent of the securities department

and also assistant state budget director.

He was born on a farm in Monona county and after farming entered the banking business. Later he became superintendent of agencies for Farmers Mutual of Rockford, Ia., and after that was treasurer of Iowa Home Owners Mutual.

Mr. Fischer had been highly regarded as insurance commissioner and was known for his strict observance of regulations in the insurance department and also in the securities division of his department.

One of his principal accomplishments took place shortly after he took office, when he required the insurance companies to sell their farm land holdings in the state. The companies had obtained the land largely during the depression and under Iowa law were prohibited from keeping the farms for more than five years. Mr. Fischer refused to grant the companies extensions and as a result the companies were required to sell.

Mr. Fischer was known in Iowa political circles as a "maker" of governors. He had the knowledge of political trends to pick the winner and was consulted by many for his advice in politics.

SETH H. HETHERINGTON, executive vice-president of Atlantic Mutual



S. C. Hetherington

and Centennial, died suddenly while enroute to his daughter's college in Roanoke, Va. He entered the business with North America in 1928, serving in New York, Philadelphia, Newark, Cleveland and San Francisco. He joined Atlantic Mutual in 1941 as assistant field manager and became manager the next year. In 1946 he was elected a vice-president of the Atlantic companies in charge of field and production activities. He was elected executive vice-president of the companies in 1953 and at the same time became a trustee of Atlantic and a director of Centennial.

ARTHUR WOLF, 83, founder of State Automobile of Indiana, and chairman in recent years, died at Methodist hospital in Indianapolis. He organized the reciprocal in 1917.

ARTHUR F. CUMMINGS, 54, district manager for the State Farm companies at Goshen, Ind., died unexpectedly of a heart attack while on vacation at Lake Arrowhead, Cal.

ERNEST C. DOUGLASS, 54, West Virginia state agent for North American companies, died there after serving in that capacity since 1925. He was a past president of West Virginia Fire Underwriters Assn. and past most loyal

THE NATIONAL UNDERWRITER

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al gander of West Virginia Blue Goose. He entered the business as an engineer for Bell & Crane Co., Charleston, and had traveled the eastern territory for Fidelity-Phenix as an inspector and special agent before assuming his last position.

F. H. KINNEY, 82, a member of the Kinney Bros. agency of Taylorville, Ill., died.

ARTHUR LOUMEYER, at one time Ohio state agent for Aetna Fire, died at Columbus, O. Mr. Loumeyer had been retired for a number of years.

HENRY ACHIN, 72, local agent at Lowell, Mass., died at his home there. He was a former representative in the state legislature and the first to serve 25 consecutive years.

CHARLES W. MILLS, 61, Milo, Me., local agent, died at his home.

JOHN H. IRONSIDE, 81, retired adjuster, died in a Seattle hospital of a heart attack.

CHARLES H. VAUGHN, 64, retired manager of the water damage and sprinkler leakage department of Aetna Casualty at New York, died. He joined the company in 1917 and retired July 1.

FRANCIS L. HEALOW, 60, local agent at Sidney, Mont., died there.

E. C. BEHNKE, 54, an associate editor of both *Rough Notes* and the *Insurance Salesman*, trade magazines published by Rough Notes Co., died at his home in Indianapolis. He had been with Rough Notes since 1922, starting in the shipping room, and beginning his service in the editorial department as assistant to Irving Williams, who was then editor. He had been in ill health for sometime, but had worked until a week before his death.

SIMON S. LEHMAN, 57, local agent at Portsmouth, Ohio, died.

EUGENE F. SCHOENHARDT, president of Thomas Brokerage Corp., New York, died there.

HARRY T. SMITH, 85, who retired last may as counsel of Aetna Casualty after nearly 50 years of service, died at his West Hartford home. He joined the company as an attorney in the claims department in 1906 and became counsel in 1917.

CHARLES S. COXE, 69, former state agent of North British group at Boston, died. He had been with the group for 34 years when he retired last December.

GERARD J. IRVING, 62, vice-president of John J. Kelle, Inc., New York agency, died.

PATRICK B. FITZGERALD, special agent in the Long Island, N. Y., area of Hartford Accident, died at a Flushing, N. Y., hospital. He had been in the field for the company for more than 30 years.

HERBERT G. ROACH, 71, who operated the Roach agency in Walled Lake, Mich., from 1924 until his retirement in 1947, died at his home.

HERBERT SCHORTMANN, 67, Dedham, Mass., local agent, died there.

ORLANDA M. ZINN, 85, Logansport, Ind., agent for more than 50 years, died at his home after a long illness. He established an agency there in 1897. He retired in 1953.

O. B. HANKINS, 66, local agent at McAllen, Tex., died in a hospital at Galveston. He had been in the local agency business also at Lamesa and

McCamey, Tex., and at one time was special agent for Cravens, Dargan & Co. and Floyd West & Co. He also was with Vanston, Hankins & Hendrick general agency as one of the principals, and with Texas General Agency. He was the father of R. F. Hankins, assistant vice-president and manager of the fire department of Southwest General of Dallas.

JOHN DE HOOG, 86, who held several offices in Merchants Mutual, died in Grand Rapids, Mich., after a long illness. He served successively as secretary, president and chairman of the board of merchants.

A native of the Netherlands, Mr. DeHoog moved to Grand Rapids 65 years ago.

Tax Committee Says Mutuals Get Break Only on Investments

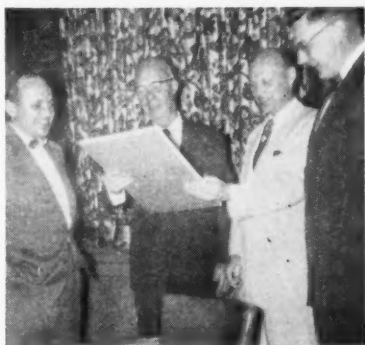
National Committee for Insurance Taxation has sent out a press announcement in which it is stated that mutual fire and casualty companies have been paying a fair share of federal taxes on underwriting income. It is only on investment income that they have not been subject to full taxation.

The press release says the committee has completed a study of taxes of a major portion of both mutual and stock companies over the period 1942-1953, and this shows the mutuals paid a total federal tax of \$86 million, of which \$74 million, or 1% of net premiums, was applicable to underwriting. If they had been taxed like stock companies, the tax on underwriting would have been \$73,600,000, or \$400,000 less, but the remaining \$12 million tax which can be applied to investment income in only one-seventh as much as they would have paid if they had been taxed on a stock company basis.

Harry Madsen, executive secretary of NCIT, is quoted as saying, "It is on investment income that the inequity arises, yet nearly everyone agrees that investment income is the same in a case of a mutual company as in the case of a stock company."

NCIT is proposing a 1% tax on premiums written plus corporate taxes on investment income for both stock and mutual companies.

Insurance Women's Club of Oklahoma City has elected the following officers: President, Lois Cochran; 1st vice-president, Helen Jones; 2nd vice-president, Eleanor Timmons; corresponding secretary, Joan Halko; recording secretary, Doris Ford, and treasurer, Elizabeth Landis.



The J. M. Kralovec & Son agency of Chicago, which has just marked its 50th anniversary, received a service plaque from Dubuque F. & M. in recognition of 50 years of representation. Pictured from the left are: J. Martin Kralovec; M. D. Ebner, president of Dubuque F. & M.; George W. Kralovec Jr., and C. J. Schrup, vice-president and treasurer of Dubuque.

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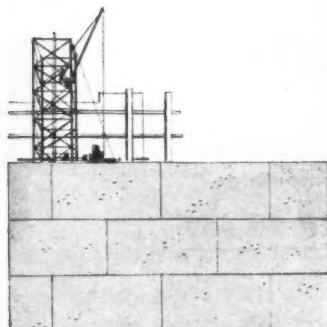
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An association of 24 American capital stock fire, marine and casualty insurance companies providing insurance protection in foreign lands

Cole Says Private Flood Cover Dubious

WASHINGTON—Any program of flood insurance will probably have to be underwritten by the federal government, Housing Commissioner Cole indicated after a closed meeting with insurance representatives from Royal, National Board, Mutual Alliance, Associated Factory Mutuals, National Assn. of Insurance Agents, National Assn. of Mutual Insurance Agents, and National Assn. of Independent Insurers.

He said "it seems very doubtful to me that any program could be carried out by private industry," but he would not comment on what attitude the insurance men took toward the problem or what recommendations they made.

Budget bureau and house banking committee representatives attended the meeting at which insurance problems relating to all types of wide scale catastrophes were discussed. There was no discussion of any possible disaster insurance program other than flood insurance.

Richardson Moved Up by Travelers

Travelers has named Alden R. Richardson branch office supervisor. He joins the home office staff of the branch office administration department. Mr. Richardson, who has been assistant office manager at Hartford since 1953, joined the company in the home office casualty accounting division and was later assigned to casualty underwriting at Albany. He subsequently served in Syracuse as an underwriter and in general administrative work. Before going to Hartford he was assistant office manager at Houston.

Kentucky Insurance to Sponsor State Fair Booth

Kentucky Fire Underwriters Assn. has taken a booth at the Kentucky State Fair, in conjunction with the Louisville Board of Insurance Agents, Kentucky Assn. of Insurance Agents, and Insurance Women's Assn., in a promotion featuring the "standard protection" seal.

There will be posters, literature, balloons and favors for the children. Insurance men and women will operate the booth from Sept. 9-17. The booth is in the Merchants & Manufacturers building.

W. D. Voorhees, state agent, National Fire, is chairman of the public relations committee, which has been laying the ground work.

College Policy Kits Available to Students

The 1955-1956 kits of commonly used insurance policies and bond forms in the fire, casualty and life fields are now available as teaching aids to college instructors. They were compiled by Assn. of Casualty & Surety Companies, Institute of Life Insurance and National Board in cooperation with American Assn. of University Teachers of Insurance for the use of instructors and students.

The kit of casualty, life and property insurance policies is offered for use in general and survey insurance courses and is available without charge to students taking such courses for collegiate credit. Students enrolled in advanced insurance classes for college credit, either casualty and surety or property courses, may obtain the appropriate casualty and surety or fire and marine kits at no cost.

A charge of \$1 is made for each general kit if the course is not offered for

credit and a similar charge is made for the casualty kit if the course is not an advanced or special casualty or surety course for credit. Orders for general kits or casualty and surety kits should be sent on the letterhead of the college with a description of the course offered, so that eligibility for free distribution may be determined. They may be ordered from the public relations department, Assn. of Casualty & Surety Companies, 60 John Street, New York 38.

Orders for the fire and marine kit should be addressed to the public relations department of National Board, 85 John Street, New York, 38.

Conway, Greig in New Posts at Cincinnati for Western Adjustment

Western Adjustment Company has appointed J. J. Conway, Cincinnati manager, as general adjuster, with headquarters at Cincinnati. This change has been made at Mr. Conway's request, so that he may devote all of his time to the adjustment of important losses. Mr. Conway has been with Western since 1924.

Adjuster D. W. Greig has been appointed manager at Cincinnati and regional supervisor for the metropolitan area. Mr. Greig has served in the Cincinnati area for 16 years.

General of Tex. Enters Wash.

General of Fort Worth has been licensed in Washington and has named Groninger & Co. as general agents in the state. The company will specialize in full coverage auto at rates equivalent to those of Safeco, but with premiums payable semi-annually if desired. Commissions will be 15% and a signed application is required. Billing will be handled by the agents, but flat cancellations will not be permitted. General is a subsidiary of Houston Fire & Casualty.



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DETROIT

U. S. Companies To Insure New Mackinac Bridge

MACKINAC CITY, MICH.—United States insurers have agreed to provide coverage for the substructure of the Mackinac Straits bridge now under construction between here and St. Ignace.

"History is being made in insurance in connection with this bridge" F. A. Heath, vice-president of S. S. Frelinghuysen Corp. of New York, declared. "Previously more than half of the insurance carried by the contractors was with foreign insurance companies."

The coverage, he said, includes as major hazards earthquakes, fire, and possible atomic bombing, in that order. Lary Rubin, secretary of the bridge authority, in view of the fire hazard involved said studies are being made relative to transportation of petroleum products across the five-mile span which is scheduled for completion by the fall of 1947.

It is anticipated the entire \$100 million structure, including the super-

structure, will be insurable at completion.

Approximately 88% of the substructure work has been completed, including 34 separate foundations sealed on rock. The two main towers to support the suspension portion of the bridge will be completed this fall. The bridge will be the world's longest suspension type structure although the actual suspension span will be slightly shorter than the Golden Gate bridge at San Francisco.

N. Y. Increases Rate on Non-Deductible EC

New York Fire Insurance Rating Organization has changed the rate for the extended coverage endorsement on fire insurance policies on private dwellings or contents. With the windstorm and hail \$50 deductible clause, the rate for dwelling property remains unchanged at eight cents per \$100. The previous rate of 14 cents per \$100 of insurance without deductible now becomes 20 cents, but applies only if the \$50 deductible is not used. The changes are effective Sept. 12.

NYFRO reported that the new schedules were made necessary by the increasingly large numbers of windstorm losses.

Hartford Accident Promotes DeMallie

Hartford Accident has named John DeMallie fidelity and surety superintendent at New Orleans. Mr. DeMallie, who has been special agent for fidelity and surety bonds at Indianapolis, joined the company in 1948 in the home office bond department. Later that year he went to Buffalo as a bond special agent.

Wisconsin Agents Say State Fire Fund Inadequate

The Wisconsin legislature's transfer of \$5 million from the reserves of the state fire fund to the general fund has been termed a "raid" by Wisconsin Assn. of Insurance Agents.

The transfer was approved by the legislature despite vigorous campaigning against it by the association and private insurance spokesmen.

The association claimed the reserve fire fund is dangerously inadequate. The \$3.8 million remaining reserve is only 4.69% of the total risk borne by the fund in publicly owned property in the state capitol alone.

"Can you imagine what a serious windstorm localized in Madison would mean to the taxpayers of Wisconsin? It is entirely conceivable windstorm damages or a comparable fire loss could be serious enough to place the state in financial straits," the association said.

Sacramento, Cal., Office Opened by Ohio Casualty

Ohio Casualty has expanded in California with the opening of a Sacramento office. The company services California business through 11 branch offices and two service offices. Branches are at Los Angeles, Riverside, Compton, Inglewood, Long Beach, North Hollywood, Pasadena, San Diego, San Francisco, Oakland and Fresno. Service offices are at Santa Ana and Sacramento.

Fireman's Fund Offices Move

Fireman's Fund offices in Dallas and Louisville have moved to new locations. In Dallas, the office is at 320 Mercantile Commerce building, and in Louisville, at 300 Madrid building.

Phillip L. Pitts is manager at Dallas and George B. Olmstead is state agent at Louisville.

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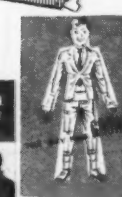
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NEWS OF FIELD MEN

National Union Makes Three Appointments

National Union group has made three new field appointments.

Robert M. Knolwes has been promoted from assistant manager to manager at Boston, Marvin B. Carpenter, formerly special agent in northern New Jersey, has been appointed assistant manager in charge of casualty operations at San Francisco, and Harold J. Malcolm has been appointed assistant manager at the East Orange, N. J. office. He joined the group in 1946.

Phoenix, Conn., Moves Porter in Pa. Field

Phoenix of Hartford group has transferred Harold F. Porter Jr., casualty and bonding special agent, from Philadelphia to Wilkes-Barre to augment the staff of State Agent Raymond T. McOrmond Jr. His new address is Second National Bank building, West Market and Franklin Streets, Wilkes-Barre.

Plan Two Texas Inspections

Members of Texas Insurance Field Men's Assn. will inspect Stanford this month, and in October will inspect Haskell.

Hartford Fire Names Stich, McTigue in West

Addison C. Posey, Pacific Department manager for Hartford Fire, has named Ralph G. Stich special agent in Arizona and James E. McTigue special agent for eastern Washington and northern Idaho.

Mr. Stich, who will be associated with James Wither, and who will handle fire and marine lines, will have his headquarters in Phoenix. He entered insurance eight years ago with Pacific Fire Rating Bureau in Los Angeles.

Mr. McTigue, who will be associated with Special Agents Paul C. Cray and E. Harold Smart, will have headquarters in Spokane. He will handle fire and marine lines. He has been in the Iowa field for six years.

National Fire Group Transfers Arnold, Buetow

National of Hartford group has transferred Special Agents Richard L. Arnold and Howard E. Buetow.

Mr. Arnold was moved from Minnesota to southern Illinois succeeding W. R. Martin, who is traveling the northern Illinois territory. Mr. Arnold was formerly with Nebraska Inspection

Bureau. His headquarters will be in Springfield with State Agent C. G. Schaefer and Special Agents M. R. Dace and R. G. Downing.

Mr. Buetow formerly with Illinois Inspection Bureau, has moved from western Michigan to Indiana succeeding James F. Decker who resigned. His headquarters will be in Indianapolis where he will be associated with State Agent E. P. Ressler, Associate State Agent R. F. Harrold, and Casualty Supervisor E. H. Lyons.

South Bend Agent to Talk to Indiana Field Men

Ray H. Kenady well-known South Bend local agent, will address the meeting of Indiana Fire Underwriters Assn. at luncheon South Bend Sept. 20. Mr. Kenady will present local level attitudes and viewpoints prevalent today. Jesse Miller, Ohio Farmers, vice-president of the association is in charge of the meeting, which will be held in connection with the gathering of the Indiana Blue Goose, also in South Bend in the afternoon and evening of the same day.

Martineau O. Special of Phoenix of London

Phoenix of London group has named Walter F. Martineau Jr. special agent in Ohio. He will work under Boyd D. Bonar, group manager, with headquarters in the Second National Bank building at Akron. Before he joined Phoenix of London group Mr. Martineau was in the Ohio field for Royal-Liverpool group.

Taylor to N. J. Field

Fire Association group has named James M. Taylor to the field staff of Resident Manager Joseph G. Junior of the northern New Jersey field office at Montclair.

Ind. Pond Plans Fall Meet

Indiana Pond of Blue Goose will hold a meeting at Morris Park Country Club in South Bend, Sept. 20. A golf tournament in the afternoon will be followed by dinner, a business meeting and initiation in the evening.

Cal. Pond to Hear FBI Man

California Pond of Blue Goose will have for its speaker at the opening fall meeting John F. Malone, special agent in charge of Los Angeles office of federal bureau of investigation, who will talk on "Activities of the FBI."

The first official meeting of the ladies auxiliary will be held at the Los Angeles Athletic Club Sept. 20.

Set Neb. Education Parley

Nebraska Fire Prevention Assn. will have an educational meeting on town inspections Sept. 23 at Omaha. Emmett T. Cox, field officer of Western Actuarial Bureau, will preside.

Brown Succeeds Young in Fla. for St. Paul F. & M.

St. Paul F. & M. has appointed Austen D. Brown state agent for Florida, with headquarters in Tampa where he has been special agent.

Previously he was special agent in upper New York state and auto and casualty manager in the eastern department.

Mr. Brown will replace State Agent W. J. Young who has represented St. Paul in Florida since 1926, and who is now retiring.

Aetna Fire Shifts Furkey to Baltimore

Aetna Fire group has transferred special agent John D. Furkey from Newark to Baltimore, where he will be associated with State Agents G. Edgar Kohlepp and Robert I. Tyrrell. The move is made to improve the group's services on a multiple line basis.

Mr. Furkey has completed the group's multiple line training school and served more than a year as a casualty field man in New Jersey.

Walter F. Roberson Joins Pacific National in Iowa

Merrill Davis, state agent for Pacific National in Iowa, is being transferred to Illinois and will be succeeded by Walter F. Roberson, who has been with Home in Iowa for several years.

Prior to going to the Iowa field Mr. Roberson operated his own agency at Iowa City. His headquarters will be in the Savings & Loan building, Des Moines.

American Group Names Cimini in Detroit Area

George Cimini has been named special agent in the Detroit area by American group.

He has been with the group for three years as underwriter and office supervisor. Prior to that he was with a Detroit agency for seven years.

To Inspect Wisconsin Rapids

Wisconsin Fire Prevention Assn., will inspect Wisconsin Rapids Oct. 12 and 13. Howard M. Patton, New Hampshire Fire, is assisting with arrangements.

Garden State Pond Meeting

Garden State Pond of Blue Goose will meet Sept. 28 at the Rock, West Orange, N. J.

The program will include a cocktail party at 5:30 and dinner at 7 p.m.

Mountain Field Club Meeting

Mountain Insurance Field Club will meet at the Manchester, N. H., Country club Sept. 26 at noon. The nominating committee will report on a new slate of officers.



would
your
face
be red
if a client
were
sued?

Or could you look the client squarely in the eye and say:

"Don't worry! You're covered under a Zurich-American Comprehensive Personal Liability Policy."

The CPL Policy may not pile up the most impressive premiums on your books, but it's one of the most important policies for you to sell.

If you *don't* sell it—and a client is sued—you may *lose* his entire account. If you *do* sell it—where another agent doesn't—you may *win* your new-found client's entire account.

Let the Zurich-American field man show you how to build bigger and better accounts with the CPL Policy.



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A Salute To The Agent...

- He is always available to furnish courteous assistance;
- He is ever eager to provide prompt claim service;
- He is progressive, keeping informed of current insurance trends;
- He is friendly and trustworthy, serving his policyholders well;
- He is a substantial citizen in his community;
- He is your Stock-Company AGENT, the very essence of service.

We Salute Him... We Believe In Him.



UTILITIES INSURANCE COMPANY
PREFERRED FIRE INSURANCE COMPANY
315 Pine Street St. Louis 2, Mo.



AUTOMOBILE • WORKMEN'S COMPENSATION • LIABILITY

NAIC Group Names Ad Code Committee

(CONTINUED FROM PAGE 1)

earlier visits to Washington, mentioning that the commitments he obtained were largely with Edward F. Howery, who has resigned and been replaced as chairman of FTC. Because of this, he said, he went to Washington recently to determine if there were any changes in FTC sentiment. He was able to get confirmation of his commitments, he reported.

Mr. Pansing said FTC has assigned Charles E. Grandy, head of its bureau of consultations, as liaison man to the industry in connection with the advertisement explaining he did not consider tising matter. He read a letter from Mr. it would be "necessary or desirable" for him to attend the Chicago meeting, particularly because it was organizational in scope. Mr. Grandey noted, however, he has some ideas on the subject that he would like to have the opportunity to present.

Mr. Pansing presented his plan at the annual meeting of NAIC last June. He said at that time FTC had agreed to withdraw from the scene if it could be shown that the A&H advertising problem had been eliminated and a perpetuating program entered into that would insure the propriety of future advertising.

Paul Watt of Washington National was named chairman of the committee which is to draft the new ad code. Other industry members are Charles Dougherty of Metropolitan, J. C. Higdon of Business Men's Assurance, Valentine Howell of Prudential and Artemus C. Leslie of Blue Cross-Blue Shield. Representing NAIC are Messrs. Holz and Gillooly.

The committee to develop enforcement procedures is headed by Commissioner Martin, and Director Pansing is a member. Representing insurance are Joseph H. McGee Jr. of Old American of Kansas City and Chase M. Smith of the Kemper companies.

Brennan Named North Director

Maurice F. Brennan, member of the firm of Chase Conover & Co., Chicago, has been elected a director of Thomas T. North, Inc., Chicago, independent adjusters. Mr. Brennan has been in the insurance auditing and consulting field for the past 30 years.

Rehabilitation Order for Inland Empire

(CONTINUED FROM PAGE 1)

was done without meeting all of the requirements of the Idaho insurance code. The Idaho department therefore, has had its eye on Inland and its activities for many months. The request of three of the officers of Inland that the company be put in the hands of the department thus is a development that might have been otherwise expected.

At the time of the Inland-Louisville F&M. dealings there was comment that Inland had some reinsurance arrangements and affiliations that were traceable at least by surmise, to Stewart Hopps, the former head of the bankrupt Rhode Island. Later, when the Trans-Pacific-Inland-Central Standard deal was on the fire, it was reported that Mr. Hopps was one of the interested parties and had a stock interest in one or more of the companies involved.

In response to an inquiry, Jack Piver of San Francisco, public relations manager for Stewart Hopps, has wired THE NATIONAL UNDERWRITER:

"Stewart Hopps has no connection with Inland Empire or Trans. Pacific. He is neither director nor stockholder but has been interested merely as a reinsurance broker. He in no way is responsible for present status of these two companies. You are authorized to print this."

On Sept. 3, the three men now apparently operating Inland Empire sent a letter to Commissioner O'Connell in which they stated their intention to move the home office from Phoenix back to Salt Lake City. This letter also was sent to the agents of Inland. It read as follows:

This letter is signed by Messrs. Callaway, Carroll, and Howay. The letter to agents said:

"The company prepared a detailed statement of its financial and operating position as of June 30, 1955, copies of which were furnished to the examiners engaged in the work of examining the company. Our statement indicated that we had a surplus as regards policyholders amounting to \$1,009,978, of which \$509,978 was unassigned surplus funds.

"The examiners found that our re-

insurance liability was greater than that shown in our statement in an approximate amount of \$100,000.

"Our statement contained an allowance for agents balances over 90 days due of \$100,000. However, since the agents have not been paying in their balances due us, due to the uncertainties arising out of our move from Salt Lake City to Phoenix, we estimate that a reserve for over 90-day balances may now approximate \$300,000 as of September 1, 1955. We believe this to be a conservative estimate.

"There has been some run off of the unearned premium reserve, due to a falling off in writings and rearrangement of our reinsurance contracts, and in other items which would partially offset the additional reserves which we feel would be required as of September 1, 1955. It is our belief, based upon the August figures as they are developing, that the company should have a surplus as regards policyholders as of September 1, 1955 in excess of \$750,000 after the increases in reserves as mentioned above.

"We therefore feel that the company is solvent as of this date.

"However, because of the error made in attempting a merger with

other companies, which was ill-timed and ill-considered, followed by an unwise move to Phoenix, Arizona, we now find that agents are not paying their balances and this condition is depriving the company of cash resources with which to continue operations.

"The company's position is further handicapped by the requirement that it maintain duplicate deposits in many states with the result that in excess of \$900,000 of the company's liquid assets are frozen in such deposits, and are not available for the payment of claims and operating expenses.

"As officers of the company, we are further seriously handicapped by the fact that four resignations were made from the board of directors, including the president, on August 30, 1955, leaving the company without a directing head, and apparently abandoned by the principal stockholders of the company.

"It is apparent to us, that unless confidence in the company is restored at once, and a stable and dependable management appointed to administer the affairs of the company, that the continuation of the withholding of agent's balances together with the requirement that Inland hold in excess

(CONTINUED ON PAGE 29)



The Kansas City recognizes the importance of prompt loss payment...



...its Loss and Claims Departments work night and day on a nation-wide scale, to serve you efficiently...



...with personnel trained in the value of property and equitable adjustment...



...which results in fast settlement of losses.

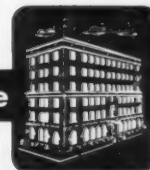
To build more business...
keep more business...
represent The Kansas City
—a progressive company
for progressive agents.



Kansas City Fire and Marine

Insurance Company

301 West 11th Street • Kansas City, Missouri



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EXCESS—CONCURRENT

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Teletype CG 2785

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TATE, LTD.**



CONTRACT BONDS

... a ready-made
market for large
premium income

Contract bonds are required by law on almost all construction contracts for federal, state and local governmental units, providing a ready made market from which many good agents are developing large premium income.

Private construction contracts, including industrial construction, office buildings, warehouses, shopping centers, public utilities, and railroads represent a huge volume of construction work, on which few performance bonds are written.

Aggressive agents have a big job to do in selling private owners on the wisdom of requiring surety bonds on such contracts. Central Surety will guarantee performance of the contract and payment of labor and material bills on private contracts. The owner can thus have the benefit of the lowest qualified competitive bid, with assurance of completion at a guaranteed cost.

Central Surety's years of experience in the field, and its facilities for quick action give its agents an advantage in developing contract bond business.

CENTRAL SURETY AND INSURANCE CORPORATION

HOME OFFICE—KANSAS CITY 41, MISSOURI

When it comes to Liability, Property or Material Damage

... come to us!

FRONTING CONTRACT

TAXICABS

AMUSEMENT RIDES

FINANCE LINES

L.P.G.

LONG HAUL TRUCK

MILITARY PERSONNEL

"SR 22"

BONDS

MALPRACTICE

FIRE & ALLIED LINES • BURGLARY • PUBLIC LIABILITY • SURPLUS & EXCESS LINES

The Brokers & Agents Company

MID-WEST INSURANCE COMPANY

SINCE 1832

DON'T DELAY—CALL US TODAY!

3025 West 16th Street • INDIANAPOLIS 22, INDIANA • A Capital Stock Company

R. I. Receiver's Report Reflects Its Fortunes

(CONTINUED FROM PAGE 3)

Rhode Island, and others, to recover \$7,940,315 for damages arising from alleged breach of fiduciary duty and for other causes. The receiver's current statement does not contain an allowance for a possible recovery from this action. He states that the suit is being prosecuted.

The report calls attention to ancillary receivership situations in California, Indiana, Texas, Washington, South Carolina, Louisiana, and Ecuador. In the latter country, the receiver has applied to the government for release of municipal and bank bonds deposited with the government. However, claims approximating the value of these bonds have been asserted since Dec. 31, 1953 by an Ecuadoran creditor against this deposit.

In discussing certain securities, the receiver lists \$196,153 worth of William Penn Fire non-interest promissory notes, unconditionally endorsed by Doeskin Products, and \$39,336 of Claude Neon, Inc., 2% promissory notes. He states these investments have no quoted market and are carried at face amount discounted at 4% per annum.

Fireman's Fund Has New Auto AD&D Endorsement

Fireman's Fund group has brought out an automobile death and specific disability benefits endorsement in the 11 western states and Alaska.

Optional features of the endorsement make it more flexible than others currently available, according to company officials. Liability policyholders may have any one, two or all three of the coverages—death, dismemberment, loss of sight, fractures and dislocations, and total disability, although only persons gainfully employed are eligible to buy total disability.

Premiums for coverage A, total disability, are \$3 annually for \$25 weekly indemnity, or \$6 for \$50. Coverage B, death benefits, can be written for \$5,000 or \$10,000 for annual premiums of \$2 or \$4 respectively.

Coverage C consists of two parts: Dismemberment and loss of sight benefits up to \$5,000 or \$10,000, and fractures and dislocation benefits up to \$175 or \$350. The premium is \$1 annually for the \$175 and \$5,000 combination, or \$2 for the \$350 and \$10,000.

Farm Magazine Has Article on Liability Coverages

The autumn issue of *Farm Quarterly*, a widely circulated farm magazine, contains a discussion of farm liability and the farmers comprehensive personal liability policy. The magazine has about 250,000 subscribers and the liability piece will undoubtedly result in inquiries of many insurance men. It is published at 22 E. 12th Street Cincinnati.

The author of the article is Bernard P. McMackin, Jr., assistant editor of the *Fire, Casualty & Surety Bulletins* of the National Underwriter Co.

Cooper and Florian to Me., N. H. Fields

Springfield companies have named Arthur E. Cooper special agent at Portland, Me., and U. Francis Florian special agent at Manchester, N. H. They will specialize in casualty and bond lines.

Mr. Cooper, who will make his headquarters at 415 Congress Street, was formerly special agent in Maine for U.S.F.&G. Mr. Florian attended the companies' multiple line training school.

Says Claim Experts Can Build Good Will with Private Doctors

Because the claim department of an insurance company is in a unique position for building good will between companies and doctors, claims experts should learn as much as possible about medical terminology in order to get on better with physicians, Dr. Robert A. Goodell, medical director of Phoenix Mutual Life, declared at the three-day annual meeting of International Claim Assn. at Lake Placid, N. Y.

Doctors employed in insurance medicine are "keenly aware of the problem of maintaining good public relations between the life insurance industry and physicians in private practice," Dr. Goodell said. Insurance has depended a great deal on information supplied by the medical profession and doctors employed in insurance want to do everything possible to foster a friendly feeling between physicians in private practice and the life companies.

Dr. Goodell expanded on this point by explaining: "The claim department of an insurance company is in a unique position for building good will between insurance companies and doctors. For this reason, I believe that each claim expert should learn as much as he can about disease and not throw up his hands in horror at medical terminology. Every profession or trade has its own terminology, which is the way of describing conditions in specific terms, rather than general terms. I believe a claim expert will get on better with doctors if he learns all he can about the special terminology of the medical profession."

He termed "excellent" and worth re-reading a paper given last year by Dr.

Bud Scoins, Lincoln National Life, on the relationships between doctors and the claim department.

Dr. Goodell's talk dealt with "Nervous Conditions other than Psychoses from a Claim Viewpoint." Since it is a highly specialized and complicated subject, it is necessary to use considerable medical terminology, he said. He repeated his belief that it is desirable for the claim expert to become familiar with this terminology.

He then showed lantern slides for 45 minutes, reviewing some of the more important nervous conditions which may be presented to the claim expert.

Expect a Few Problems as New Minn. Fire Policy Date Nears

MINNEAPOLIS—The new Minnesota fire policy which becomes effective Jan. 1 is expected to cause some companies a little trouble. Under the law, until the effective date, all companies will have to continue to use the old Minnesota form and on the effective date they will have to cease use of the old policies and use only the new. However, there is a possibility that some companies will run out of the old forms before the effective date of the new one.

"This will present a problem for them," says the current bulletin of the Insurance Federation of Minnesota. "Will they have to go to the expense of printing an additional supply of old for the few remaining days during which the issuance of the old policy is required by law? No discretion was given to the commissioner of insurance as to when the old policy should cease to be used and as to when the new policy is required to commence. As a consequence, he has no power to issue any order varying the date from that set by law. Neither can he by memoranda or letter, grant an individual company permission to commence the use of the new or extend it the right to use the old beyond that date. It is useless to request such permission.

"On the other hand, laws are intended to be reasonable in their operation and not to impose unreasonable burdens on those who come under them. It is our impression that no point will be made of it if a company finds itself embarrassed by the exhaustion of its supply of the old policy before the effective date of the new policy. Of course if a loss occurred under a new policy issued before the effective date the loss would have to be paid under the provisions of the old if they are more favorable to the insured."

The new Minnesota policy is not the New York standard form, but contains some items unique with Minnesota, and this also causes a few problems.

R. E. Gould Joins Freedom as Claims Superintendent

Freedom of Berkley has appointed Robert E. Gould superintendent of claims.

Mr. Gould joined Freedom after 10 years with the Pacific department of St. Paul F&M. group where he was claims examiner, claims manager and assistant superintendent of claims.

Higher FR Limits in Mich. Are Effective Oct. 14

LANSING—An amendment of the Michigan auto financial responsibility act by the 1955 legislature raising the amounts of security required for compliance, must be construed, according to an attorney general's opinion, to mean that new certificates in the higher amounts must be filed to cover

liability arising after effective date of the act, Oct. 14.

The opinion was given in answer to two questions posed by J. M. Hare, Secretary of state, who asked whether the new limits must be imposed after the law's effective date, even though certificates had been filed for lower amounts embodying insurance or bonds not yet expired, and whether certain sections of the law not specifically amended in the new legislation also were affected by it.

The new act raises BI limits from the former 5/10 to 10/20 and PDL from

\$1,000 to \$5,000.

The legislature inadvertently neglected to change two sections of the old law in which the lower limits of liability were quoted. The attorney general finds that the intent of the legislature to change the law throughout all of its sections was clear and that the new limitations must be read into the unaltered sections.

A. M. Duus agency, one of Iowa's oldest, established in 1870, has been sold to Joel T. Shepherd of Le Mars, Ia. Mr. Shepherd has been in insurance since 1929.

A Service Guide A

O'TOOLE ASSOCIATES Management Consultants To Insurance Companies

Established 1945

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Phone — Hollis 4-0942

The LAWRENCE WILSON COMPANY

Managing General Agents
"Unexcelled Insurance Facilities"

SERVICE TO LOCAL AGENTS
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First National Bank Building Tulsa 3, Okla.

EXCESS - SURPLUS

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BEKMAN 3-7222

"Placing the Unplaceable"

Fiftieth Anniversary Year

FIDELITY APPRAISAL CO.

Established 1905

Milwaukee New York

Chicago Philadelphia

St. Louis Baltimore

Minneapolis Pittsburgh

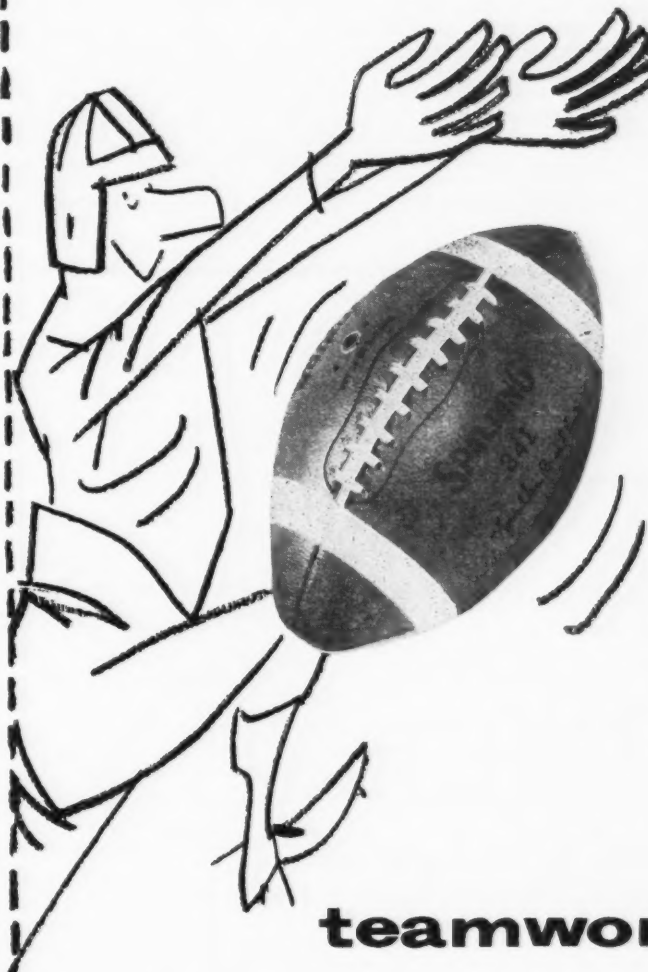
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TRANS-CANADA ASSURANCE AGENCIES, INC.

LLOYD'S CORRESPONDENTS
SPECIAL RISKS—SURPLUS LINES
REINSURANCE

1231 Ste. Catherine St., West
Montreal, Canada



teamwork

that's what it takes!

Agents, field men, home office staff —

as a team we're working well together!

Our rating is high, our spirit, too!

Won't you join our huddle!

Southwest General
INSURANCE COMPANY

FIRE • CASUALTY • AUTO • MARINE

GIBRALTAR LIFE BUILDING • DALLAS, TEXAS

Program Completed for Annual of NAIA

(CONTINUED FROM PAGE 2)

mittee, casualty insurance; W. D. Frampton, San Francisco, Great American group, commercial block policies, and H. Earl Munz, Patterson, N. J., chairman of NAIA property insurance committee, dwelling forms.

Noon—California association business luncheon at Biltmore Bowl.

2 p.m.—National board of State directors, Biltmore ballroom. The meeting will be open.

9 a.m.—Presidential ball courtesy of Insurance Assn. of Los Angeles in the Pacific ballroom, Statler. The ball will be informal.

The final day's program follows:

8 a.m.—Rural and small lines agents breakfast meeting in the Music room, Biltmore, with Kenneth A. Young, Blue Earth, Minn., chairman of NAIA rural and small lines agents committee, presiding. Advance reservations are required for this session as well as for the breakfast meeting of metropolitan and large lines agents to be held at the same time in the Golden State room, Statler. Forest S. Pearson, Austin, Tex.,

member of NAIA metropolitan and large lines agents committee, will preside.

9:30 a.m.—Agency management workshop in the Pacific ballroom with Mr. Neumann presiding and Deane W. Merrill, South Orange, N. J., chairman of NAIA agency management committee, as coordinator. Speakers and their topics will be: Charles W. Tye, Joseph Froggatt & Co., Newark, insurance agency taxation; David Gray, assistant to the vice-president of Afco, easy premium payment plans, and Joseph W. Marshall, vice-president, Marshall & Stevens, Los Angeles, the importance of an appraisal.

10 a.m.—National board of state directors, Biltmore ballroom, with Mr. Neumann presiding. Meeting open.

Noon—Buffet and executive session of national board of state directors, meeting as a nominating committee, Renaissance room, Biltmore.

2 p.m.—Closing general session, Pacific ballroom with Mr. Neumann presiding. The speaker will be Gene Flack, sales counsel and director of advertising of Sunshine Biscuits, Long Island City, N. Y. Following his talk these awards will be presented: California

association mileage cup, Des Moines attendance cup, Connecticut association membership trophy, highway safety contest awards sponsored by Assn. of Casualty & Surety Companies, fire safety contest award presented by National Board, Bowen public relations award and Sparlin agency system cup. Resolutions will be acted upon and election of officers held.

7:30 p.m.—Annual banquet in the Hollywood palladium. The program will include installation of officers conducted by Melvin J. Miller of Ft. Worth a past president. Commissioner O'Connell of California will administer the oath of office. Entertainment is also scheduled.

Chartered buses for the palladium trip will depart from the Biltmore and Statler Hotels commencing at 6:15 p.m. and will run to 7:15 Buses will also be available for the return trip.

O'Connell Says Agent Advertising Lags Behind

(CONTINUED FROM PAGE 2)

Life magazine recently. Allstate, which after all is a minor cog in the largest merchandising organization in the world, spent \$87,000, and the supposedly "non-profit" Blue Cross organizations spent close to \$1.5 million. Farm Bureau of Ohio spent \$275,000 and Liberty Mutual \$580,000, "to tell the public what a bunch of unnecessary parasites we are. I've heard," Mr. O'Connell continued, "they do considerable business, so someone must believe the story they tell."

On the basis of what a few companies are doing, Mr. O'Connell said there is no doubt that \$15 million could be made available annually for the benefit of capital stock companies and the American agency system, if the carriers which are now dragging their feet would carry their fair share. He said no one should expect a company to submerge its own identity completely, but the time has come for an agent, when approached to represent a company, not to be influenced solely by promises of service, capacity or offers to do office work, bookkeeping or collecting—he should consider what that company is doing to sell the agency system. They must realize that every time a member of the public is convinced by anti-agency advertising that "Agents aren't necessary" or "Ours is a non-profit business" a customer is lost because agents and their companies are not using enough of the same channels to tell the same customers that the agency system is better.

Mr. O'Connell did not spare the agents in his criticism of the present situation. He pointed out that there are about 50,000 agencies eligible to participate in the Insurance Advertising Conference advertising contest, yet only 52 entered in 1954 and 63 in 1955. He said agents are wasting time and throwing money away in alleged "public relations" work, such as serving on local committees, lodges, clubs, etc., and in "charity" advertising in school

and church programs and the like. The time has come, he said, for agents and companies to join forces along the lines proposed by NAIA, with the cooperation of the Insurance Advertising Conference and other company organizations, to forget about "free" public relations and try the "pay" variety.

Insurers To Study Timber Cover

About 40 insurers on the Pacific coast have decided to engage in detailed research on the possibility of writing standing timber insurance. The company men met Sept. 7 at San Francisco to consider the idea, with Ward Jackson of Crum & Foster presiding. Most of the companies indicated willingness to contribute to the project, and Leland S. Gregory, who just recently retired from Fireman's Fund, will be in charge of the research project.

The insurers will welcome additional companies in the project, and those interested should contact Mr. Jackson.

Macy Named Manager

W. S. Macy has been appointed manager at Los Angeles of Royal Exchange. For 14 years he has been with New Amsterdam Casualty, most recently as Los Angeles manager. He is president of Casualty Insurance Assn. of Southern California.

Doctors' Plan Called Insurance

Attorney General Ervin of Florida reported that it appeared that physicians organizing a society to provide medical care to persons paying regular sums by the week or month would be in the insurance business subject to state laws governing the business. He had been questioned on the legality of the plan, under which several doctors would provide medical attention, medicines, limited surgery and laboratory tests as needed in return for regular amounts paid by potential patients.

SELL HARDER!

Keep In Touch

Keeping in Touch with your clients in the interval between renewals is vital to keeping them sold. This might be termed the "open season" when competitors try to cut in. If you fail to maintain in the minds of clients, the value of your personal local insurance service, you may find that some enterprising agent has displaced you. It should not be difficult to find reasons for contacts now and then that indicate your continuing interest in the policyholder's protection and security • Personal visits, telephone calls and personal letters rank in this order as the more effective ways of making year-round personal attention the difference between your local insurance agency and direct writing competitors • Community newspapers, club news, business reports and economic developments will provide many items directly or indirectly related to clients and prospects. Changes in policies and coverages will suggest your discussing them with this or that insured. Your own ingenuity will furnish other "Keep in Touch" ideas.

Keeping in touch with our agents to assist them with sales and agency problems is the paramount purpose of the multiple line Special Agents of the Commercial Union-Ocean Group.

COMMERCIAL UNION-OCEAN GROUP

HEAD OFFICE • ONE PARK AVENUE

NEW YORK



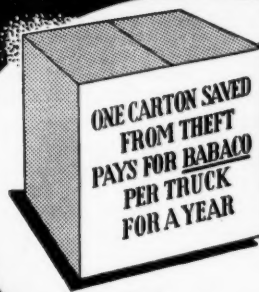
ATLANTA

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Commercial Union Assurance Co. Ltd.
The Ocean Accident & Guarantee Corp. Ltd.
American Central Insurance Company
The British General Insurance Co. Ltd.
The California Insurance Company
Columbia Casualty Company
The Commercial Union Fire Ins. Co.
The Palatine Insurance Company Ltd.
Union Assurance Society Limited

DO YOU KNOW...?



BABACO
FIRE INSURANCE CO.

723 WASHINGTON STREET
NEW YORK 14, N. Y.

Reinsurance A. E. STRUDWICK Co.

A. E. STRUDWICK, President

E. W. BLANCH, Vice-Pres.

THOS. M. DARDEN, Vice-Pres

810 BAKER BLDG., MINNEAPOLIS 2, MINN.

Rehabilitation Order for Inland Empire

(CONTINUED FROM PAGE 25)

of \$900,000 on deposit in the several states, will wipe out such cash resources as are available for the payment of claims and operating expenses and will leave the company in the peculiar position of being solvent, with good cash resources on its books, but being unable to meet its obligations.

"The continuance of the operation of the company under such unfavorable conditions could soon result in disaster to the policyholders and would force the company into an unnecessary receivership.

"We believe that the company can recover from its present unhealthy and untenable position if confidence can be restored among the agency plant, and if the commissioners of insurance will cooperate with us by requiring only a reasonable deposit of securities, which we feel should be impounded in one central depository for the benefit of all policyholders except where required by specific statute.

"As a first condition toward remedying the mistakes of the company, we have assumed the responsibility of moving the company records and administrative office back to Salt Lake City and will conduct our operations from there in the future.

"However, we do not feel capable of remedying all of the problems of the company singlehanded, and we therefore appeal to you as commissioner of insurance of Idaho to exercise whatever power and authority as rests with your office to assist the company in remedying of all existing difficulties.

"We, therefore, request that you take such jurisdiction over the affairs of the company as in your judgment may be necessary to permit the company to place its affairs in proper order to your full and complete satisfaction, and as a protection of the interests of the policyholders and the public."

This letter is signed by Messrs. Callaway, Carroll, and Howay. The letter to agents said:

"We know a great many rumors are being passed about in the field. We want our agents, above everyone else, to have the true facts as we see them. We enclose a letter dated September 3rd addressed to Commissioner O'Connell of our home state signed by Mr. Callaway, Mr. Carroll and myself which clearly give our stand regarding the company in which we are all most vitally interested.

"We believe we will have the cooperation and assistance of the Idaho department and in turn the insurance departments of most all states in which we are licensed toward keeping the Inland in a healthy, sound condition. The three of us as well as most of the key office personnel of the company are doing all within our power to accomplish this purpose.

"Your cooperation to date has been marvelous. We urge your continued confidence while we work out the proposals made in the enclosed letter."

Inland Empire was incorporated in Idaho in 1948 to take over the business of Inland Empire Casualty Underwriters, a reciprocal which had been in business about a year. In 1949 it took over Finance Exchange of Boise, and in 1951 absorbed Citizens Automobile Inter-Insurance Exchange of Salt Lake City. Louisville F&M. was taken over in December of 1954. On taking over Louisville, Inland Empire reinsured \$2 million of Louisville's business in Central Standard of Sioux Falls, which in turn reinsured \$2 million of business in William Penn Fire. William Penn Fire before the end of 1954 reinsured \$2 million with Royal American of Huntsville, Ala. The Royal American reinsured more than \$2 million with Lloyds and other British companies.

As of Dec. 31 1954, Inland Empire showed assets of \$5,467,541 (of which \$2,332,312 was in premium balances); net surplus of \$503,555, capital of \$500,000, unearned premiums of \$702,788 and reinsurance treaty funds of \$2,601,120.

Birrell out as United Dye Director

Lowell M. Birrell, a director and former chairman of the executive committee of United Dye & Chemical Corp., and active as a director of several insurers at one time or another in the past, has resigned from United Dye, along with several others of the so-called Birrell group. These include W. F. Riker, who is a director of Central Standard of South Dakota. A. L. Guterman was elected chairman and V. D. Dardi, former chairman, who is a director of Central Standard, was elected director and chief executive officer of United Dye.

One of the new directors of United Dye is James C. Cavagnaro, a director of Occidental Life of California.

Former Allstate Agent Talks at Alexander & Co. Sales Rally

Pros and cons of direct writers vs the agency system were discussed by a former direct writer sales representative, at the fall sales meeting of W. A. Alexander & Co. of Chicago.

The speaker was Conrad W. Olson, now part owner of the Erickson agency, Jamestown, N. Y., who was for four years with Allstate there. The meeting was attended by about 100 brokers associated with Alexander.

Other speakers included Wade Fetzer Jr. president, and Walter M. Sheldon, executive vice-president of Alexander & Co., and William G. Schmidt, chairman of the agency's brokers' committee. John H. Sherman, executive vice-president for sales, presided.

MacDermott To Agency

Richard G. MacDermott has joined the Marsilje agency of Holland, Mich., as manager of the combined agency and travel bureau. Mr. MacDermott has been in the business since 1929 when he started the Chicago office of Marsh and McLennan. In 1948 he went with Fred S. James & Co. as manager of the

Cook county fire department, and in 1950 was made unit manager of the brokerage department. Early this year he organized the personal accounts department at James.

J. V. Bernatz Retires

Joseph V. Bernatz, an underwriter in the western department of Sun at Chicago, has retired after 34 years with the group. He has been in the business about 45 years, and before joining Sun was with Continental and North America. Mr. Bernatz' associates in the western department presented him with a gift and he was the guest of honor at a luncheon.

N. Y. Mariners Club Field Day

New York Mariners Club will hold its annual field day at the Wheatley Hills Golf Club, East Williston, N. Y., Sept. 27. Thomas E. Jennelly of St. Paul F&M. is chairman of the program committee. Frank J. Richardson of Talbot, Bird & Co., skipper, will preside at the dinner which will follow the day's activities.

The Parrott agency, Plymouth, Mich., which has been operated by Ms. Florence M. Parrott since the death of her husband, Roy R. Parrott, in 1935, has been purchased by Charles P. Finlan of C. L. Finlan & Son in that city. Mrs. Parrott continues to manage the agency for the new owner.

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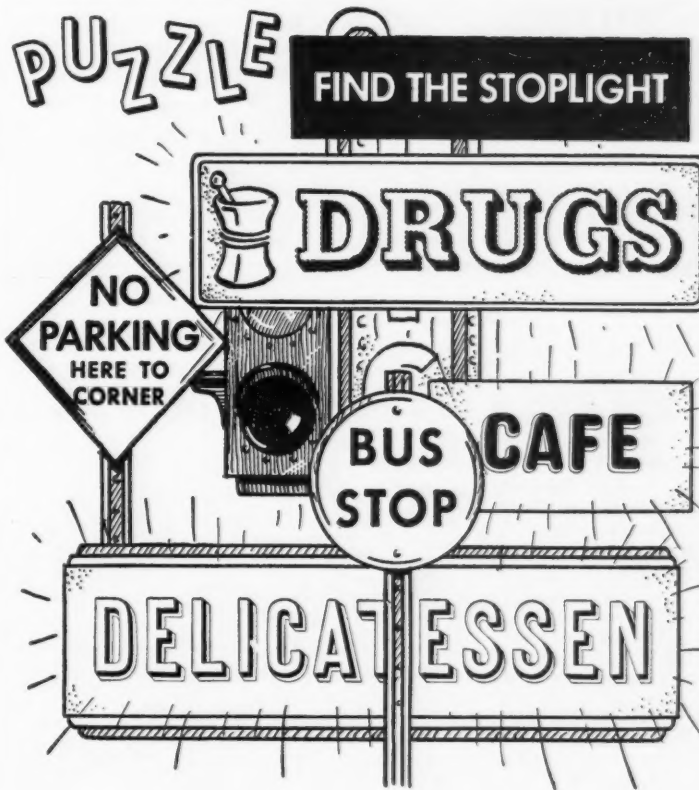
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Just as puzzling is the public's lack of appreciation of its responsibility for the dangers of the road—physical and economic.

Agents must do their part in each community to bring safety on the highway and sanity in the jury box.

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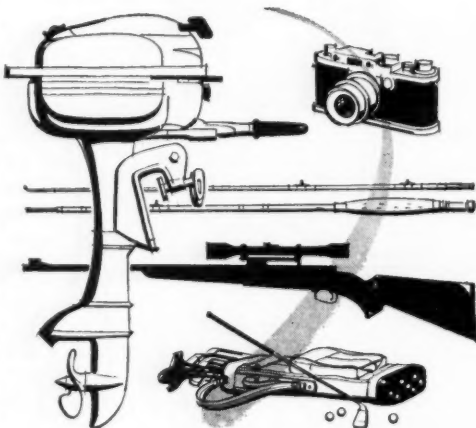
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Talk to our special agents about how we are equipped to meet protection needs—swiftly in most states, including IRM capacity on large lines. But, anywhere nationwide, you can count on prompt, sure handling of inland marine lines.



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INSURANCE COMPANY

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Western Department: Omaha 2, Nebraska

FIRE & ALLIED LINES • AUTOMOBILE • INLAND MARINE

Revised CDP Flexible, Offers Wider Coverage

(CONTINUED FROM PAGE 15)
additional living expense up to 20% of the amount specified on all contents and there is also an optional extension of 10% of the contents coverage on improvements and betterments.

The fire and allied lines discount has been increased to 25% while the minimum insurance to value in theft has been lowered to 20% of the estimated contents value. In addition, a theft option has been incorporated into the rules whereby the insurance to value requirements may be waived, in which case the theft discount for on premises theft becomes 10%.

To qualify for premium discounts under the CDP certain minimum requirements must be met.

They are: 1. (a) For the owner occupant the fire coverage on dwelling and contents must equal an amount not less than 80% of the estimated value of the dwelling and contents; (b) to qualify for the 30% discount under the on-premises theft there must be a minimum amount of insurance of \$1,500, but when the percentage requirement is waived and the discount reduced, the minimum becomes \$1,000; (c) the standard comprehensive liability limits are included, and (d) this policy carries a minimum premium of \$125.

2. A tenant becomes eligible by insuring contents against fire perils in an amount equal to 80% of value and the other minimum amounts parallel above. The minimum premium for tenants coverage is \$100.

3. There have been no changes with respect to the off premises theft, named peril, personal property off premises coverage, and scheduled glass breakage.

Retailers to Discuss Insurance Needs

H. A. Carey, local agent of Ithaca, N. Y., who was an insurance instructor at Cornell University for many years, will review the insurance needs of retail stores and discuss the most modern plans of coverage at a clinic on adequate insurance protection at lower cost at the annual meeting of New York State Council of Retail Merchants, Sept. 11-13, at Elmira, N. Y.

Baier Is Elevated

Milton L. Baier has been elected president, secretary and a director of Merchants Mutual Casualty of Buffalo, succeeding Clifford W. Brown, one of the company's founders, who resigned because of ill health. Mr. Baier, with the company for 30 years,

has been an assistant attorney, trial counsel and vice-president in charge of the legal department.

Mr. Brown has served as assistant secretary, secretary, vice-president, general manager and was named president in 1936. The post of general manager, which he also resigned, has not been filled.

E. M. Blanford to Retire, Dupuis Named on Coast by National Board

E. M. Blanford, chief special agent for the National Board at San Francisco for 25 years, is retiring Oct. 1. Mr. Blanford before going with the National Board was with National Automobile Theft Bureau and before that was with the Department of Justice.

Fred G. Dupuis, special agent, who joined the National Board in 1949 after service with the FBI, will succeed Mr. Blanford.

Wilson Agency Constructs Own Building at Cleveland

Construction has begun of the new building of Wilson & Co. agency of Cleveland. The new building will be



two stories high and have 8,000 square feet of space at 11800 Shaker Boulevard. Its cost will be approximately \$150,000. Wilson & Co. will rent part of the space to Albert Rees Davis Co. agency and Glens Falls.

Sponsor Insurance Course

Oakland Assn. of Insurance Agents in cooperation with the Merit Evening School Of Business will offer a course in general insurance beginning Sept. 20 and continuing through June 8, 1956.

The course has been approved by the California department as a qualifying course for insurance broker examinations. It is also designed to assist applicants for the Insurance Institute of America examinations.

Joliet Agents Hold Golf Outing

Joliet, Ill., Insurance Agents Assn. held its annual field day Aug. 30 at Coghill golf course. The program included golf, dinner, entertainment and prizes.

Charter Oak Enters Ky.

Charter Oak Fire has been licensed in Kentucky and has appointed R. K. Langan general agent. Richard K. Langan organized his general agency this summer after many years in the Kentucky field for Great American group.

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REINSURANCE

ON
CROP HAIL ... FIRE and ALLIED LINES

write



2323 Grand Avenue

Des Moines, Iowa

N. C. Studies Catastrophe Cover Problem Reports on Beach EC Cancellations Probe

North Carolina Insurance Advisory Board has called for a study of the possibility of insurance coverage for natural catastrophes such as hurricanes, floods and earthquakes.

In a resolution, the board said that it is the sense of the board and the insurance department that all insurance wherever possible should be carried by private insurers, that insurers provide natural catastrophe coverage and that the department study the problem and make recommendations at the next meeting of the board, Nov. 10. The resolution also called on North Carolina Fire Insurance Rating Bureau to study the problem and report to the board.

Commissioner Gold said he thinks that if the insurance business does not act to provide coverage the government will. He said he thought it was inevitable that there be some form of catastrophe protection, that a plan could be worked out. If the government does step in, he would prefer that the program be handled by private industry.

Mr. Gold said he had written Gov. Hodges reporting on his investigation of reports that following the recent hurricanes beach property owners having difficulty in obtaining and keeping extended coverage. He said there were cases in which policies were cancelled while the hurricanes were approaching, but that where damage occurred under these policies claims were paid. No case had been found where it could be shown the company involved cancelled in order to escape liability from an approaching storm.

Although the law allows an insurance policy to be cancelled on five days notice, he said he doubts that an insurer could legally escape liability by giving notice of cancellation after the catastrophe had been set in motion even though more than five days should elapse from its inception to the time the loss occurs. "I do not believe," he said, "that any company would seek to deny liability under such circumstances."

He reported he uncovered no concerted effort by insurers to cancel fire and extended coverage policies in beach areas and that although there had been some cancellations, in most instances coverage had been obtained through other companies.

In one case investigated by his department a company sent out approximately 40 cancellation notices on Aug. 9 while Hurricane Connie, which hit Aug. 12, was in progress.

The policies, he said, were for windstorm and hail and the property was located some 80 miles inland from the coast. The company had informed its agent that as an underwriting practice it did not wish to carry windstorm insurance without having fire insurance also. Several requests were made to the agent to cancel the policies and he failed to do so. The company then, on Aug. 9, sent out registered notices of cancellations to the insured. These insured did receive some losses as a result of wind damage. Claims were made and the company reports that it has paid them. It further reports that the cancellations were not made to escape liability from approaching hurricanes, that is has not withdrawn from the beach areas and is still doing business with policyholders there.

In a somewhat similar case involv-

ing beach property the company had requested the agent to cancel policies on this particular beach property because insured did not wish to give the company business on property located inland. Mr. Gold said that it is "standard underwriting practice" for a company to require this. When the local agent failed to cancel, a special agent of the company appeared on Aug. 15 while Hurricane Diane was in force and gave notice of cancellation to the policyholders. The company has reported that it paid losses caused by both Hurricanes Connie and Diane under the policies in question.

In a talk before civil defense leaders from nine southern states at Knoxville, Tenn., Gov. Hodges said that people in states subject to natural catastrophes ought to have catastrophe insurance and that he plans to call a meeting in Raleigh this fall to plan a campaign for broad scale disaster coverage. He was not sure if such insurance should be provided by private business or by a federal reinsurance program.

Meanwhile, in Washington, Senators Saltonstall (Rep.) and Kennedy (Dem.) of Massachusetts proposed a \$12 billion flood insurance program. The program they have drafted would provide direct federal insurance—or federal reinsurance—against floods only. They said relief from other disasters such as tornadoes, hurricanes and earthquakes, "deserves careful and thoughtful study."

Myrdal Gets Contracts for Mont. Liquor Stocks

Montana's state insurance commission has approved contracts with Myrdal agency of Missoula for fire and extended coverage for the state's 153 retail liquor store inventories.

Donald Burns, Helena, vice-president of Montana Assn. of Insurance Agents, sat with the commission in an advisory capacity.

Montana liquor control board administrator J. E. Manning said that the board had awarded the contract to Myrdal for its low bid of \$33,594.

Dr. Hassen Sentenced To One Year for Forgery

LOS ANGELES—Dr. E. E. Hassen, former head of the Hassen Foundation, following his plea of guilty of a charge of forgery, was sentenced to one year in the county jail by Superior Court Judge John G. Barnes, with nine months suspended, and also was placed on three years probation.

The Hassen Foundation is the principal owner of the stock of Zenith

National of Los Angeles, and it was in connection with real estate transactions involving the Casa Blanca Hotel that the charges were filed. The transactions centered around the insurer being induced to accept mortgages on the hotel, and subsequent forgery by Dr. Hassen in meeting mortgage obligations.

The courts, in civil actions, have separated Dr. Hassen from any official position with the insurance company and have named other persons to the board.

Surety Underwriters Nominating Group

Surety Underwriters Assn. of New York City has named Richard J. Purcell of Columbia Casualty, chairman, Tracy A. Clute of Royal Indemnity and Donald F. Harned of Travelers Indemnity members of a nominating committee to report at the October meeting. The election of officers will be in November.

Esmond Ewing To Talk at Detroit Sept. 20

Esmond Ewing, vice-president of Travelers, will be the speaker at the Sept. 20 meeting of Detroit Assn. of Insurance Agents. His subject, "The Fire and Casualty Business—Today and Tomorrow," will be the third in a series on property insurance. Kenneth E. Black, president of Home, took up fire, and Neville Pilling, U. S. manager of Zurich, talked on casualty earlier this year.

Peerless Names Bourneuf

Leonard A. Bourneuf has joined Peerless Casualty as special agent in Maine for casualty, liability, bonding and fire lines. His headquarters are at Augusta.

Mr. Bourneuf has been in insurance for 10 years, seven in claims work in Maine.

*"It's what,
not where,
Mr. Greeley!"*

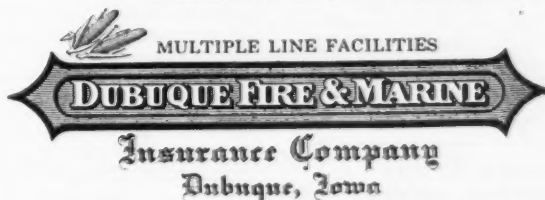


Yes, Mr. Greeley—North, South, East or West, there's opportunity for the man, young or old, who can offer something better.

And, insurance agents everywhere are finding new opportunity selling the multiple line facilities of Dubuque Fire & Marine. These agents provide the range of coverage their clients want, more efficiently, more profitably.

Through multiple line facilities, they reduce their own office costs, eliminate routine, simplify records, and make policy writing and claim settlement simple, satisfactory and prompt.

Write today for details of the many benefits of Dubuque Fire & Marine multiple line facilities. You'll sell yourself on the obvious advantages... and you'll be glad you did.



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SPECIAL AGENT — Florida-Louisiana Fire and Casualty

One of the South's most progressive General Agencies offers excellent opportunity for young man with fire and casualty experience as Special Agent for the State of Florida and another in Louisiana. Must be a willing worker and anxious to become a part of a growing organization. Write Box H-3, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED: SERVICES THOROUGHLY EXPERIENCED ADJUSTER (FIRE AND MISCELLANEOUS)

We require services adjuster experienced in all lines for management our Miami, Florida, office. Adequate salary. Give full personal history, experience and company references. Applications will be considered confidential. DARGAN & CO., INC. 110 William Street New York 38, New York

FOR SALE

Profitable Insurance Agency for sale, in South-eastern Wisconsin City. Located in a very prosperous farming and resort area. Owner wishes to devote entire time to life insurance. Contact Box H-23, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED

INSURANCE MANAGER for large Southwest Bank's Insurance Department. Requirements: At least five years' experience in liability, property and casualty insurance; resident of Southwest; 33 to 45 years of age. Excellent opportunity to progress with a fast growing institution. Reply to Box H-16, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

ADJUSTER WANTED

Young man to supervise and adjust fire-wind losses; also to assist in auto claims dept.; must have some experience preferably with adjusting company. A good opportunity. INTEGRITY MUTUALS, P.O. Box 499, Appleton, Wisconsin.

AUTOMOBILE & CASUALTY UNDERWRITER Alabama

An old and progressive Alabama Multiple Line Company offers an excellent opportunity for a young man as Automobile and Casualty Underwriter. Plenty of room for advancement. There is more opportunity in the South than anywhere else. Living conditions are ideal. Write Box H-5, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

PENNSYLVANIA FIELD MAN

Experienced Pennsylvania Field Man for old line stock fire insurance company with multiple line facilities. Write Box NY-37, Advertising Dept., The National Underwriter Co., 99 John St., New York 38, N. Y. List qualifications and salary required.

FIDELITY AND SURETY BOND UNDERWRITER

Top position open with nationally operating multiple line casualty group. Must know underwriting and production of Bond Business thoroughly. Chicago location. Write giving full personal and job history to Box H-17, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED TO BUY INSURANCE AGENCY

In Illinois (preferably Chicago), Pennsylvania or New York. 15 years experience in general field and now want to go in business for myself. Write Box H-19, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

SPECIAL AGENT WANTED

Young man as special agent in our home office area selecting training agents, a little loss adjusting. Background in underwriting and sales very helpful. Car furnished; excellent opportunity. INTEGRITY MUTUALS, Appleton, Wisconsin. P.O. Box 499.

FIELDMAN

Prominent Multiple Line Stock Company has excellent opportunity for experienced fieldman, Chicago territory. Salary commensurate with experience and ability. Submit complete information and salary requirements to Box H-24, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

Merger of Constitution Into Sterling Gets OK in Cal.

LOS ANGELES—The merger of Constitution Life of Los Angeles and Sterling of Chicago, pending since application was filed in 1953, has been approved by Commissioner McConnell.

Constitution is to be merged into the Sterling, the latter to become the controlling company with the name of the merged organization to be Constitution

Life. The merger is subject to approval of the Illinois insurance director.

Both companies are controlled by interests identified with Bankers Life & Casualty and its president, John MacArthur. Some time ago an attempt was made to merge Constitution Life into Bankers Life & Casualty but the application was revoked before final action was taken by the California department.

Bankers Life & Casualty interests acquired control of Constitution in

1952 and of Sterling in 1953. At the end of 1954 Constitution had assets of \$13,942,420, with capital of \$300,000 and surplus of \$748,354. Its ordinary insurance in force totaled \$189,397,775 and industrial in force amounted to \$4,674,156. Net A&H premiums totaled \$5,257,374 during 1954.

At Dec. 31, 1954, Sterling had assets of \$8,375,014, with capital of \$1 million and surplus of \$2,283,348. A&H premiums during 1954 amounted to \$10,778,855, and at the year end ordinary life in force totaled \$15,684,313.

WANT ADS

Rates—\$18 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline 5 P. M. Friday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER

Insurance Opportunity

We are a 114 year old marine and fire company group. The next step in our nation wide expansion program will be the opening of a service office in Minneapolis. We are looking for a man between 28 and 38 who has had a predominantly fire insurance background and has a successful record of field production, preferably in the Minneapolis, St. Paul area although this is not absolutely essential. We are looking for a better than average man and intend to pay a better than average salary. Write giving full experience details and information concerning experience, family and military standing. Address Box H-18, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

UNDERWRITER

WANTED... Experienced Casualty Underwriter, predominantly Automobile or Workmen's Compensation. Must have knowledge of Experience and Retrospective Rating Plans. Salary commensurate with ability and experience. Send details of past experience and salary desired to: Box H-4, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

AGENCY WANTED TO PURCHASE

Fieldman interested in purchasing an agency outright or will consider partnership. Prefer Detroit or Michigan area, but will consider other locations. Give full particulars as to volume, companies represented, etc. Cash or terms. Address Box H-15, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

SPECIAL AGENT—MINNESOTA

Large Multiple Line Company desires aggressive man for its Minneapolis Branch Office. Casualty background necessary. Position offers excellent future possibilities. Our employees are familiar with this ad. Address Box H-20, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

SURETY MANAGER AVAILABLE

Surety Manager wants position in South. Experienced also with large company in Fidelity, Burglary and Supervisor over all Casualty, Marine and Fire Lines, particularly Automobile. Address Box H-25, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

FOR SALE

General Insurance Agency located in the heart of Michigan's Vacation Land. Michigan's largest Inland Lake. Population 5,000. Seasonal Population 40,000. Excellent School System. Churches of almost every denomination. Reason for selling poor health. If interested Reply to Box G-47, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

CASUALTY UNDERWRITER

wanted by growing Wisconsin Mutual company; applicant must be under 35, with at least 3 to 5 years' experience underwriting general liability and automobile. Must have background and ability to advance to management staff. Address Box H-26, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

CLAIMS MANAGER

Excellent position for qualified individual to manage home office claim department of stock casualty company located in Indiana. Salary open. Replies confidential. Address Box H-9, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

INSURANCE EXECUTIVE OPPORTUNITY

Well-established, Multiple Line Stock Insurance Company has an excellent opportunity for an executive under 45 with broad management experience in multiple line operations. Must have ability to organize and direct aggressive development program and to assist top management in a staff capacity. Man selected must be of stature to qualify for position of Executive Vice-president. Compensation will be based upon qualifications. Submit complete resume to Box H-22, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

Do you qualify for these positions?

CLAIMS SUPERVISOR—PERSONAL INJURY ASSISTANT CLAIMS SUPERVISOR PERSONAL INJURY ADJUSTERS—With or Without experience CLAIMS EXAMINER (Home Office)

We have immediate openings in our Chicago and Springfield, Illinois offices for men 25-40 who are anxious to become associated with a progressive stock casualty company.

We offer excellent opportunity for advancement with liberal salary, group insurance plan, and other employee benefits.

Write and tell us about yourself; interviews will be arranged on the basis of information contained in your first letter.

LINCOLN CASUALTY CO.
500 E. Capitol Avenue Springfield, Illinois

SPECIAL AGENT — NEBRASKA

To represent fast-growing, multiple-line stock company. Rare opportunity for right man. Replies confidential. State age, qualifications, references, and salary requirements.

IMPERIAL CASUALTY AND INDEMNITY CO.
5004 Dodge Street Omaha, Nebraska

TO THE MAN WHO FEELS HE'S STANDING STILL...

Get this clean, fresh, live start to permanent success in a general agency of your own!

NEW! A brand-new, ground floor opportunity with an old, established company never before offering commercial coverages!

NEW! Strong vested contract offering high initial commissions and liberal renewals, providing a big margin of over-write at both ends!

NEW! Be the first in your territory to have the same receptive open door to sales amply demonstrated in the territories where representatives are already under way!

NEW! A complete new line of big-value, low-cost life-time A&H, Hospitalization, Life insurance that's setting new sales records for agencies just started.

NEW! Aggressive home-office help in prospecting and lead promotion.

• If you're tired of standing still—if you have the ambition and know-how to move on up by developing a sales organization that can do justice to really choice coverage—we have the jet-powered propulsion that will help you get there! Write in complete confidence, giving full details in first letter.

Robert W. Lindsley, Director of Sales

COMMERCIAL DIVISION

BENEFIT ASSOCIATION OF RAILWAY EMPLOYEES

Room UL, 901 Montrose Ave., Chicago 13, Ill.

Ohio Agents Elect Dawson President

Rural Agents' Session Takes Full Program Stature at Ohio Rally

By BERNARD P. McMACKIN JR.

CINCINNATI — Attendance was heavy and interest high at the rural and small lines session of Ohio Assn. of Insurance Agents convention. Herebefore a pre-convention meeting, this year's panel occupied most of a full morning during the convention itself. E. B. Hendrixson, Batavia, chairman of the rural and small lines committee was at the helm. Featured speaker was J. D. Phelan, vice-president of American States.

Mr. Phelan is sales manager of his company and his talk here was devoted to an insurance man's sales opportunities. Insurance men are bewildered and battered by recent explosive changes in the staid old fire field, Mr. Phelan said. However, this "explosion," which was the inevitable result of too rigid controls through state laws and bureau rules, can be a

wonderful thing for the American agency system. The insurance peddler thrives on status quo, while the American system producer derives a greater opportunity for service and advice—the features which justify his higher price—through changes which require intelligent handling. Resistance to change, Mr. Phelan averred, is opposed to the best interests of the agency system.

Mr. Phelan was unstinting in his praise of the homeowners policies. The comprehensive dwelling policy, he said, is apparently destined to become quietly less important. Homeowners are the policies of the future being sold today. He urged his audience to join the "parade to homeowners" without delay. It is not necessary to decide which of the homeowners policies to push. They are comprised of three different policies, each with its purpose. Thus, the comparisons are

good, better and best as to coverage and low, medium and high as to premium. A and B are for the mass market, C is strictly for the carriage trade. Few offices will find themselves selling C exclusively.

Mr. Phelan decried concern over the differences between the theft coverage of the homeowners policies and theft policy. Whatever sales resistance there is on this score is more in the mind of the agent than with the customer. The mysterious disappearance presumption probably never should have been in the residence theft policy anyhow, he said, and few people are going to think it unreasonable that the unattended automobile feature in effect requires them to lock their cars. This can be presented in a positive way, he pointed out. "Here is a package policy which provides coverage against fire, etc., liability, medical payments and against theft from your home or elsewhere, even including theft from a locked car."

Mr. Phelan also spoke with enthusiasm of dealers block policies. There was no good reason, he said, for limiting to four—as was the case when the 1953 version of the nationwide marine definition was drafted—the types of dealers for whom all risks stock coverage could be written. Even the additional seven classes—the "seven sins"—which are now being approved as inland marine in some states are not the limit. Some states are now accepting as "multiple line" filings for dealers policies which they will not accept as "inland marine."

The block policies were described by Mr. Phelan as the newest and hottest thing in insurance sales—"more opportunity to distinguish yourselves from the insurance peddler."

Other sales opportunities mentioned were the no-coinsurance business interruption form, proper use of established forms—as, for example, seeing to it that employees' and officers' personal property is included when necessary or watching for the need for improvements and betterments coverage, the automobile filling station form of the territory and the personal property floater. These should not be just kept on the shelves. It is up to the insurance man to sell the coverages needed and this means presenting them to clients. Deciding a client will not take a particular coverage without ever presenting it to

(CONTINUED ON PAGE 36)

Johnson Goes Into Line as V-P at Cincinnati Meet

Agents Plan for Multiple Line Writing, New Push for Private WC

By CHARLES L. MANNING

CINCINNATI—Plans to implement multiple line writing and to renew a drive for competitive workmen's compensation were major topics of discussion at the three-day session here of Ohio Assn. of Insurance Agents. The convention was attended by some 700 registrants and their wives.

Hugh K. Dawson of Cleveland was elected the new president to suc-



F. H. Johnson



Hugh K. Dawson

ceed E. R. Randall of Greenville. Fred H. Johnson of Columbus was named vice-president and steps into line for the presidency in 1956. T. M. Gray, Sr., executive secretary-treasurer since 1943, continues in that position. The following new district trustees were named at the Wednesday business meeting: Ralph L. Grimes of Middletown; Robert M. Bell of Springfield; Rufus H. Barrett of Portsmouth, and William H. Levering of Cleveland. The new officers will not be installed until Jan. 1, 1956.

Mr. Dawson is a former trustee, legislative committee chairman and past president of the Cleveland Board.

Mr. Johnson, who is vice-president of Rankin & Rankin at Zanesville and Newark and sales manager for those agencies as well as the Rankin agen-

(CONTINUED ON PAGE 35)



Participants in the opening luncheon of Ohio Assn. of Insurance Agents convention at Cincinnati this week were, left to right: E. R. Randall of Greenville, retiring president; Robert Taft Jr., member of the Ohio legislature and luncheon speaker; Hugh K. Dawson of Cleveland, new president; Louis A. Hellminger of Cincinnati, president of the Cincinnati board and convention chairman; Fred H. Johnson of Columbus, new vice-president, and T. M. Gray Sr., executive secretary.

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The Republic Indemnity Company
Columbus, Ohio

A FRIENDLY OHIO MULTIPLE LINE COMPANY

WHY

are more Agents taking the "Cincinnati" into their offices each month?

Perhaps it is because of the complete fire insurance facilities—special filings such as \$100 minimum premium reporting form or—

Maybe it's because the "Cincinnati" excels in All inland marine coverages—including yachts—

Or—to use the complete Burglary facilities—or to capitalize on the "Cincinnati's" competitive auto collision rates—

'Guess it's just because they wish to do business with a growing, friendly company owned and operated by Agents—that's why new Agents are joining the WINNING TEAM of

THE CINCINNATI INSURANCE COMPANY

A MULTIPLE LINE COMPANY

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HARRY M. TURNER, PRES.

ROBERT A. COSBEY, VICE PRES. and GEN'L MGR.

E. PERRY WEBB, VICE PRES.

Cincinnati 25, Ohio

ROBERT C. SCHIFF, VICE PRES.

JOHN J. SCHIFF, SECY. & TREAS.

CHARLES L. BENT, STATE AGENT



A MULTIPLE LINE COMPANY OPERATING in Indiana, Michigan, Ohio, and West Virginia. Over 700 loyal Agents appreciate our liberal Commission Arrangements and our realistic approach to their agency problems.

THE MAYFLOWER INSURANCE CO.

52 E. Gay St., Columbus 15, Ohio

John W. Bricker, Pres.

John G. Case, Jr., Secy.

CPCU Panel on Residence Package Policies Is Big Hit at Ohio Agents Rally

CINCINNATI—One of the choicest program plums during the convention of Ohio Assn. of Insurance Agents fell to the Cincinnati CPCU chapter. This was a special luncheon at which four CPCUs covered the subject of residence package policies. Of considerable interest anywhere, this topic was bound to get top attention among Ohio insurance men, since the first homeowners policies—barred heretofore by Ohio's failure to provide multiple line powers—will be written towards the end of September.

The panel was composed of chairman of N. S. Tiffany, H. F. Schottenfels, and J. R. Trainer, who are in the agency business, and J. L. Marcum, vice-president of Ohio Casualty.

Mr. Tiffany said the important difference between the new residence package policies and older innovations such as the comprehensive personal liability policy, the personal property floater and the residence and outside theft policy was that the older contracts were introduced so their impact was gradual while the residence package policies are revolutionary in scope and signify a change in the marketing situation.

Essentially residence and other package policies indicate a trend back to the very origins of insurance when the idea was to insure the whole venture and not one or a few specified perils. Grouping perils together as is done in package policies, is a step in this direction. In doing this, the companies have recognized a need, Mr. Tiffany said, and have acted directly and, through rating and advisory organizations, indirectly to fill this need.

Mr. Schottenfels described the major difference between homeowners policies and the comprehensive dwelling policy as flexibility. Ultimately, the two types of package policy will provide similar coverage. However, homeowners policies are relatively inflexible because of their indivisible premium, while the CDP is made up of various parts, the premiums summed up and a discount allowed provided enough coverages are taken. A complete knowledge of both types of contracts is important in servicing accounts properly, he said.

Mr. Marcum emphasized the importance of discounts with package policies. The whole concept of multiple line underwriting of dwelling business, he said, is greater protection at less cost than has been possible under separate contracts.

Mr. Marcum offered an example to illustrate the relationship between cost of a package policy and value of protection. Take a family, he said, living in a \$15,000 house, having a \$1,500 garage and furniture worth \$5,000. The family could very easily incur as much as \$3,000 extra expense in case of loss. This represents a total property and monetary exposure of \$24,500. Whether the family owns the property outright or owes most of it makes little difference. The fact is that \$24,500 is the family's "living standard" and costs must be applied against that amount.

He said the approximate premium for a homeowners policy B for this family would be \$228 or \$76 per year. This means that for \$76 or less than 1/3 of 1% of the amount of value at

risk, the homeowner can insure his property against named perils, time element exposures and liability, including medical payments. The insured receives a plus value in the form of a protected living standard.

Mr. Marcum deprecated attempts to compare the savings as between homeowners policies and the CDP. The situation is very fluid; any assumption made today may be wrong tomorrow. The important thing, he said, is that both produce savings. The exact figure will vary depending upon the characteristics of the individual risk. If an insured fits into the pattern of an average risk the homeowners policies are probably his best buy. If he does not fit into this pattern, the CDP may be written to conform to his needs.

As an example, Mr. Marcum indicated a young couple just getting started with a home worth \$17,500. Homeowners policy C would provide \$8,750 of protection on their household goods and they might have only \$3,000 or \$4,000 worth of personal property. This is a case, he said, where the CDP would be more desirable.

The brightest light in the competitive picture of package policies, Mr. Trainer said, is that the insurance man now has excellent weapons to attack an old bugaboo, "uninsurance." Most producers have probably left more exposure uninsured than insured. Nor has this always been the fault of the insurance man. The tools he had to work with were not the best. By the time an agent had approached his client on two or three of the coverages which now come in a single piece, real resistance was bound to develop.

The idea of all personal coverages in one policy makes sense to insured, Mr. Trainer said. The only people who are having some trouble in digesting the idea are insurance people.

Package policies are here to stay, he said. Competitively, the insurance man must be in a position to recommend the one best method of coverage for a given client. To do this, he must know the forms, have all types available and know his insured's exposures.

Why not specialize in one type of package? It is simpler to master one contract. It is easier to learn one effective presentation. A canned sales talk on one contract could be learned easily. Where there are solicitors, the office can be geared to a single approach. However, Mr. Trainer said, sticking to one contract will make it impossible to tailor insurance to a client's particular needs. All of the forms will change from time to time. It is reasonable to anticipate that some of these changes will be sweeping in scope. What is objectionable in one form today may be changed tomorrow.

Mr. Trainer labeled as alarming the fact that some large insurers are pushing the homeowners policies because of their simplicity. One insurer stresses in its literature that a survey is unnecessary with the homeowners. He pointed out however, that no policy is simple to the insured. The insurers mean it is simple for the producer to sell. Simplicity is a virtue and no one recommends making a form complicated just for the sake of requiring that it be treated professionally. But, Mr. Trainer said, he cannot go along with the idea of using one form for

all, whether it fits or not, simply because the producer can write it quicker and with less thought.

"Our primary purpose in this economic system is service," he said, "and we can be replaced if we do not provide it." The ultimate danger in over-emphasizing simplicity is reducing the insurance man to an automaton. If the procedure is so simple that the insured can mention the amount of insurance he wants on his dwelling and that governs his entire protection, then there is no personal service required and the direct writer can easily perform the same function and more economically.

Although direct writers have filed both types of contracts Mr. Trainer said, the opinion at this time is that this type of company will pursue the homeowners contracts to a greater degree because of their simplicity. They are attractive to the direct writers' salesmen because they produce a large premium.

What about competition among agents? The number of forms will surely increase this. In the past, there were actually few points on which to compete, Mr. Trainer said. Now, however, any agent at any time can suggest to the client of another agent that he is insured under the incorrect form. The agent with the first expiration date among a group of policies has the obvious advantage unless the client is reached first by a more aggressive producer.

Hugh Dawson New President of O. Agents

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cy at Columbus, served several terms as state Republican chairman. He is a former president of the Zanesville and Columbus boards.

Mr. Randall, former Democratic mayor of Greenville, expressed his "regrets" at turning over the gavel to Mr. Dawson, who is a many-termed Republican councilman of Lakewood.

The board of trustees announced the unqualified endorsement of Arthur M. O'Connell of Cincinnati as a candidate for the vice-presidency of National Assn. of Insurance Agents.

Growth of the association in recent years prompted attempts at the busi-

awarded the annual Paul Revere trophy by the trustees for his contribution to "the cause of sound principles agency business."

A night session Monday was sponsored by Ohio Fire Prevention Assn. with Karl J. Krug of Columbus, state agent for St. Paul F&M., presiding.

Robert Sommers, assistant superintendent of Fire Prevention Bureau of Cincinnati, discussed the operation of the bureau and praised fire inspections as helping reduce fire rates in the city to one of the lowest levels in the nation. A fire safety film, "Before They Happen," was shown and a fire extinguisher door prize was presented to Miss Ruth Heath of Marietta.

A young agents' smoker later that evening was under the chairmanship of John E. Griffith of Girard, chairman of the association's young agents committee.

A liaison committee's panel under the direction of A. Julian Lenke of Cincinnati, chairman of the association's fire liaison committee, opened the second day's activities.

Mr. Lenke pointed out that the major question among agents at the convention was, "What are we going to do with multiple line?" He said the panel would outline the work of the fire and casualty liaison committees in providing the answers to this question and also indicate how they work with the rating and inspection organizations.

Jack D. Darrah of Akron, secretary of the fire liaison committee, outlined the activities of the committee. He pointed out that the committee was designed primarily to reduce the number of forms and at the same time maintain the broadest coverage possible. He said the advent of comprehensive forms had produced some frictional differences and listed some of the accomplishments of the committee in revising forms and rules and in getting advance notice of manual changes."

Frank R. Middaugh, assistant manager of Ohio Inspection Bureau, discussed the operations of the bureau. He pointed out that multiple line changes would effect dwelling policies first and would increase the work of the bureau. He said belonging to a central rating bureau was cheaper, more uniform and better than companies making their own rates and form revisions. He suggested agents send their problems to the liaison committee which would present them to the bureau for action.

Ralph M. Wikoff of Youngstown, a member of the association's casualty liaison committee, discussed the activities and problems of the committee. He said it had been formed recently and only this year had any meetings. He said the committee had studied many of the problems and found them more complicated than in the fire field.

He suggested a study of the rate publishing procedures of National Bureau and National Automobile Underwriters Assn., a possible merger of the two bureaus, modernization of territorial classifications and the promotion of local agents through public relations on a national level.

Roy L. Davis, Chicago manager of Assn. of Casualty & Surety companies, outlined the history of rate making organizations in the casualty and surety field. He said that because of the national set-up of these rate making processes, the problems were nationwide. He suggested that the liaison committees could work out some of the problems through continued action

and cooperation with the national organizations.

Ernest L. Clark of New York, president of Corporate Advisors Inc. and former assistant treasurer and insurance and banking department head for J. C. Penny Co., presented the buyer's point of view in a talk entitled "The Measure of an Agent."

Mr. Clark derided the "disciples of the prophets of doom" who are proclaiming an end to the agency system. "Direct writing companies, mutual companies and reciprocals perform a great service to the insurance business by creating competition," he said.

He compared them to mail order houses and discount houses in the retail field and said that as a result of these two forms of retail merchandising, "the public appreciates doing business with reliable organizations giving full service."

He urged the agents to fight competition and pointed out that most of the important improvements in the insurance business have been the result of competition.

He said agents must measure up to the standards of what a good agent should be. However, if they are to share in the future of the business, to measure up to this standard the agent must sell the agency system to the public, must increase his knowledge of the business through continuous study and training, must realign his business and methods to keep up with the change in distribution of American business and the American family, must take an active role in their associations and participate actively in work for the public interest.

"Included in activities for the public

interest should be leadership in the effort to amend the Ohio workmen's compensation law," he said.

"I am informed that considerable progress has been made during the last several sessions of the Ohio general assembly since I first testified before your Ohio program commission which investigated the Ohio monopoly in 1949-50," he said. "Successive legislatures have conducted more investigations. These investigations and the wider spread of dissatisfaction with the conduct of the WC business monopoly by the state of Ohio make the time ripe for the restoration of the competitive system used in practically every other large industrial state," Mr. Clark said.

Mr. Clark reviewed some of the arguments forwarded by organizations which advocate the continuance of the state fund, but said the answer to them all was that "in America we have proved that given equal chance private enterprise can always perform more economically and efficiently than state operation."

By urging competitive workmen's compensation, Mr. Clark said, the agents will be "performing a great public duty and raise their standard of respect in their community."

Following a luncheon, Cincinnati CPCU Chapter presented a panel discussion of multiple line dwelling contracts.

William N. Robbins of Toledo introduced Eugene F. Gallagher, Chicago manager of Planet, who was the final convention speaker.

A newspaper report concerning Mr. Gallagher's talk may have had some non-insurance people in Cincinnati wondering, since the headline read

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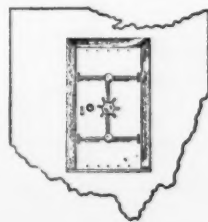
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ness meeting to revise the constitution. There was also some apprehension caused by the entrance of installment payment plans into the fire field.

In resolutions adopted at the business meeting, the association urged that the facilities of the legislative service bureau be used in presenting the strong evidence that workmen's compensation shall be competitively written as is now most successfully done in 41 states, and approved the efforts of U. C. Felt, director of the highway safety department, in promulgating a point system for driver's license violations and a demerit revocation recommendation and regretted that Ohio did not enact a periodic motor vehicle inspection act.

J. Douglas Torrence of Marion was

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"Man from Planet (not Mars) to Speak Here."

Distinguished service plaques for their "contributions on behalf of the resident agency system and to the public interest" were presented to Robert Taft Jr., member of the Ohio legislature from Cincinnati; Robert D. Falconer, president of Picton, Cavanaugh of Toledo; T. M. Gray Jr., member of the Ohio legislature from Piqua; William Zucker, American Manufacturers Assn.; Hiram D. Diller, education director of NAIA; John F. Neville, former secretary of NAIA, and Carl L. Strong, professor at Michigan State College.

The traditional rural-small lines policy minimum premiums in favor of agents session opened the convention Monday morning. It was again under the direction of E. B. Hendrixson of Batavia.

Local board officers presented their problems at the following session presided over by Ray R. Schryer of Lima, past-president of the state association. Some of them were the writing of local public business, the necessity of building up the association's legal defense fund and the demands by automobile dealers that insurance be written through companies financing auto purchases. The association announced it would sponsor a one-day pilot clinic on multiple package policies at Lake Erie college, Paynesville, Sept. 29.

The convention opened officially at the Monday luncheon with greetings from Mr. Dawson on behalf of the Ohio association and from Louis A. Hellminger on behalf of the Cincinnati Board.

W. Harper Annat, Ohio director of commerce, extended greetings from superintendent Pryatel who was in Pittsburgh, and from the department. Mr. Taft, chairman of the Ohio house subcommittee on WC, introduced his discussion of competitive WC with a brief history of workmen's compensation in Europe and the United States.

He pointed out that the Ohio WC law was originally passed in 1913 with the principle of an exclusive state

fund and has retained that principle except for self insurers.

"Unfortunately," he said, "since that time and up to the last session of the legislature, very few major changes or improvements were made in the Ohio law. It appears that as a result of this, Ohio fell behind many other states in industrial safety, rehabilitation of handicapped workers and promptness of handling claims." Mr. Taft reviewed the efforts which have been made in Ohio to permit the writing of WC by private insurers and also the 1955 changes to the Ohio act.

He pointed out that the basic changes made in the act precluded any action on competitive WC and this action may have contributed to the defeat of the competitive WC bill backed by the Ohio association.

He painted a brighter picture for private carrier coverage legislation in future sessions and offered suggestions for improving the bill when presented to future legislative sessions.

He criticized the bill as recommended

to the legislature for its obvious sponsorship by insurance companies, its failure to provide for an assigned risk pool, minimum capitalization and penalties on carriers, and its attempt to eliminate reinsurance prohibitions on self insurers.

He outlined advantages of competitive WC and suggested their incorporation into any future request for amendment of the Ohio act to allow for competitive coverage of workmen's compensation risks by private insurers.

"If competitive WC is to be passed in Ohio," he said, "I suggest that you go about it by beginning to work toward a specific bill of piece of legislation immediately, getting agreement on details from groups other than the insurance industry as well as among yourselves."

He also suggested an independent comparative study of rates in Ohio and elsewhere for adjusting differences in benefits and including all factors of expense which are involved.

"Nothing could be more important,

however," he concluded, "than getting small and organized cores of support among small groups of employers and employees."

Arthur M. O'Connell, executive committee member of NAIA, was the speaker at an afternoon session on public relations, which was under the direction of Karl D. Dakin of Lebanon, state national director.

Leland T. Powell of Mansfield, past-president of the association and chairman of the education committee, presided over an education demonstration later Monday afternoon.

A skit called "school days" simulated regular class-room sessions at education institutes and workshops sponsored by the association and the Ohio department of education. Participants were Raymond W. Kapp, state agent for Phoenix-Connecticut group; Louis Vonville, special agent for U.S.F. & G., and Raymond W. Douglass, state agent for Agricultural. The association will sponsor eight institutes and workshops at universities and colleges in Ohio during 1955 and 1956.

Estimates of loss to the Standard Oil of Indiana refinery at Whiting are still in the range of \$20 million. The adjusters have not had a chance to survey the possibilities of salvage, largely because the fire covered such a wide area. The accompanying picture shows, however, that the loss potential was considerably greater and only the lack of a strong or shifting wind kept the fire from spreading.

Concentration of risk, of which the Whiting refinery is a prime example, is a nightmare to insurance underwriters. It is understood that the line was not readily placed, and as it was finally covered the business was in nearly 60 companies, including Lloyds. There are 20 American companies on the risk for approximately 53.55%, British, Irish, Scandinavian and other foreign insurers for 10.7487%, Associated International Insurance Companies (about 10 French, Dutch, Moroccan, and English companies) for 3%, and Lloyds for 27.7013%. Despard & Co. of New York were brokers on the line, and the Lloyds and Associated International and other foreign business was placed through Stewart, Smith.



Rural Agents' Session Takes Full Program Stature

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him is the worst kind of "sales resistance," Mr. Phelan stated.

The session also included reports by Mr. Hendrixson and chairmen of the three subcommittees, fire, casualty and farm. The fire report was given by E. W. Lukie, New Richmond. Mr. Lukie listed points which his group has passed along to the association's Ohio Inspection Bureau liaison committee. All dwelling forms—including broad and special forms and their counterparts in the package policies should contain an occupancy clause. Too much of this business is now being written on farm dwellings, which are presently ineligible. Now that wind and hail cover on trees, shrubs, plants and lawns have been taken out of the broadened dwelling contracts, the fire subcommittee wonders whether earthquake and sewer back-up could not be included as insured perils. Church forms should provide for insuring electric organs at the building rate. A problem which is peculiar to Ohio—where fire forms do not presently include coverage of steam boiler explosion—is a more precise definition in additional extended coverage, 49D and 49S of "steam boiler."



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